

TRANSMITTAL

TO
City Council

DATE
04/08/2024

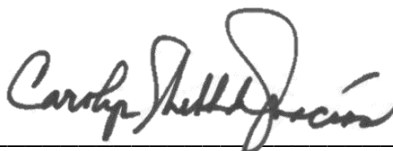
COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT

REQUEST FOR THIRD AMENDMENT TO AGREEMENT C-140192 BETWEEN THE LOS ANGELES DEPARTMENT OF TRANSPORTATION AND MV TRANSPORTATION, INC. FOR THE MANAGEMENT AND OPERATION OF THE SOUTH REGION TRANSIT BUS SERVICES

Approved, ED3 Waived, and Transmitted for further processing.




MAYOR
(Carolyn Webb de Macias for)

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: April 5, 2024

To: The Honorable Karen Bass, Mayor
Office of the Mayor
Attention: Heleen Ramirez, Legislative Coordinator

From: Laura Rubio-Cornejo, General Manager 
Department of Transportation

Subject: **THIRD AMENDMENT TO AGREEMENT C-140192 BETWEEN THE LOS ANGELES DEPARTMENT OF TRANSPORTATION AND MV TRANSPORTATION, INC. FOR THE MANAGEMENT AND OPERATION OF THE SOUTH REGION TRANSIT BUS SERVICES**

SUMMARY

The City of Los Angeles Department of Transportation (LADOT) requests authorization to execute a contract amendment with MV Transportation, Inc. for the continued operation of the South Region Transit Bus Services.

RECOMMENDATIONS

That the Mayor:

1. AUTHORIZE the LADOT General Manager to execute the Third Amendment to Agreement C-140192 with MV Transportation, Inc.
2. APPROVE the adjustment of driver compensation rates.
3. APPROVE the cost increase by \$5,690,529 to a new contract ceiling of \$125,539,878.
4. APPROVE the update of the Federal Transit Administration Agency (FTA) Contracting Provisions (Rev. 1/2024).
5. APPROVE the update of Exhibit 1 – Operation of South Region Services Cost Sheets effective March 1, 2024..
6. APPROVE the incorporation of Attachments and Exhibits.

BACKGROUND

On April 30, 2022, the City executed a one-year contract with MV Transportation, Inc from May 1, 2022, to April 29, 2023 to provide South Region Commuter Express and DASH transit services (Agreement C-140192). The one-year contract was to prevent a gap in service with the understanding that LADOT would work on an amendment for the additional time, per instructions from the City Administrative Officer.

On August 22, 2023, the City executed the First Amendment to Agreement C-140192 with MV Transportation, Inc. to extend the contract term for eight (8) months, from April 30, 2023 to December 31, 2023, for a combined term of one (1) year and eight (8) months, and adjust the compensation rate, to ensure that the contractor is adequately compensated and to prevent any service disruptions while providing all parties additional time to execute the final terms of the contract through a second amendment.

On January 2, 2024, the City executed the Second Amendment to Agreement C-140192 with MV Transportation, Inc. to extend the term for a period of one (1) year and four (4) months from January 1, 2024 to April 30, 2025, adjust the compensation rate, and increase the Agreement ceiling, to fulfill the three-year term stated in the original Request for Proposals (RFP).

DISCUSSION

In February 2023 (Council File [18-0244-S3](#)), the City Council directed LADOT to report on the bus driver shortage and its effect on the City's contract transit services, including the number of bus operator vacancies per contract, any ongoing reduction in service that the public is experiencing, the estimated cost of any recommended contract driver wage increases, and the fiscal impact on Council-approved initiatives, as well as other efforts LADOT is taking to address the national bus driver shortage situation.

Since 2020, changes in labor markets have negatively impacted transit agencies' and operators' hiring and retention rates nationwide, including those LADOT contracts to provide Transit Operations. Rates for drivers providing LADOT Transit services are among the lowest in the region, resulting in staffing shortages, impacted service, and significant delays in route on-time performance.

Since 2021, LADOT's Transit Operations contractors have faced a severe shortage of drivers, resulting in missed service. In November 2021, all four DASH and Commuter Express regions experienced a shortage of more than 20% of the drivers needed to provide scheduled service. While LADOT Transit's contractors have made strides in hiring to fill vacancies, retaining those newly hired drivers is now the operators' greatest obstacle. Although driver hiring has improved, the shortage of drivers was at its peak system-wide in late 2021 and early 2022.

LADOT requests authorization to execute the Third Amendment to Agreement C-140192, which will increase the cost ceiling, adjust the compensation rates, address the driver hiring and wage issue, and ensure the continued operation and management of the City of Los Angeles South Region Transit Bus Services

The cost proposals were a significant component when LADOT evaluated the contractor's responses to the initial RFP for this contract. However, the original proposal was selected and approved based on significantly different labor markets and economic conditions than what is present today. The hourly contract rate for revenue service hours in each of the operations contracts includes the hourly wage for drivers. The hourly rate for revenue service hours also includes expenses such as employee benefits, administrative costs, and facility maintenance. Hence, LADOT cannot directly increase wages for drivers except through a contract amendment.

FISCAL IMPACT

There is no General Fund Impact. Sufficient funds are included in the City's Adopted Fiscal Year 2024-25 Proposition A Local Transit Assistance (PALTA) Fund budget, Fund number 385, Account 94Y431 - Transit Operations.

LRC:js

THIRD AMENDMENT
TO
AGREEMENT C-140192
BETWEEN
THE CITY OF LOS ANGELES
AND
MV TRANSPORTATION, INC.
FOR THE
OPERATIONS OF THE
SOUTH REGION
TRANSIT BUS SERVICES

**THIRD AMENDMENT TO AGREEMENT C-140192
BETWEEN
THE CITY OF LOS ANGELES
AND
MV TRANSPORTATION, INC.
FOR THE
OPERATION OF THE BUS TRANSIT OPERATION SERVICES
FOR THE
SOUTH REGION TRANSIT BUS SERVICES**

THIS THIRD AMENDMENT to Agreement C-140192 between the City of Los Angeles (hereinafter referred to as the “CITY”), a municipal corporation, acting by and through the Department of Transportation (hereinafter referred to as “LADOT”), and MV Transportation, Inc., (hereinafter referred to as “CONTRACTOR”), a California corporation, collectively referred to as “Parties” and individually as “Party,” is entered into with reference to the following:

WITNESSETH

WHEREAS, the CITY desires to continue services for the management and operation of the South Region Transit Bus Services of the City of Los Angeles, Department of Transportation, Office of Transit Services; and

WHEREAS, on August 3, 2021, the CITY released a Request for Proposal (RFP) for South Region Transit Bus Services to local and national companies interested in providing such services; which RFP, along with its Exhibits, Forms, Appendices, Attachments, and Addendum, is on file in the City’s Department of Transportation and is incorporated herein by reference (collectively hereinafter referred to as the “RFP”); and

WHEREAS, on September 16, 2021, the CONTRACTOR submitted a proposal (hereinafter referred to as “Proposal”) in response to the RFP; and

WHEREAS, the CONTRACTOR has the management and technical expertise and other assets necessary for the operation and management of the South Region Transit Bus Services (collectively hereinafter referred to as the “Project”); and

WHEREAS, LADOT has determined that the CONTRACTOR possesses the qualification and experience necessary to provide the services and requested the CONTRACTOR operate the South Region Transit Bus Services in the time and manner set forth in the RFP and Proposal; and

WHEREAS, on April 30, 2022, the Parties entered into Agreement C-140192, wherein the CONTRACTOR agreed to provide the services and requested the CONTRACTOR operate the South Region Transit Bus Services for a term from May 1, 2022, through April 29, 2023; and

WHEREAS, on August 22, 2023, the Parties executed the First Amendment to Agreement C-140192 to extend the term for a period of eight (8) months from May 1, 2023 to December 31, 2023 for a

combined term of one (1) year and eight (8) months from May 1, 2022 to December 31, 2023; adjust the compensation rate; increase the cost by thirty-one million eight hundred twenty-five thousand one hundred eighty-seven dollars (\$31,825,187) to a new contract ceiling of seventy-seven million two hundred thirty-seven thousand two hundred fifty-six dollars (\$77,237,256); and incorporate Attachments and Exhibits; and

WHEREAS, on January 2, 2024, LADOT executed the Second Amendment to Agreement C-140192 to extend the term for a period of one (1) year and four (4) months from January 1, 2024 to April 30, 2025 for a combined term of three (3) years from May 1, 2022 to April 30, 2025; adjust the compensation rate; increase the cost by fifty-three million one hundred seventy-eight thousand six hundred sixty-one dollars (\$53,178,661) to a new contract ceiling of one hundred nineteen million eight hundred forty-nine thousand three hundred forty-nine dollars (\$119,849,349); and incorporate Attachments and Exhibits; and

WHEREAS, LADOT desires in this Third Amendment to Agreement C-140192 to a) adjust the driver compensation rates; b) increase the cost by five million six hundred ninety thousand five hundred twenty-nine dollars (\$5,690,529) to a new contract ceiling of one hundred twenty-five million five hundred thirty-nine thousand eight hundred seventy-eight dollars (\$125,539,878); c) update the Federal Transit Administration (FTA) Contracting Provisions (Rev. 1/2024); d) replace Exhibit 1 - Operation of the South Region Services Cost Sheets effective March 1, 2024; and e) incorporate Attachments and Exhibits; and

NOW, THEREFORE, in consideration of the above premises, and the mutual covenants and agreements herein contained, the Parties agree as follows:

1. **Section 6, COMPENSATION AND PAYMENT**, third paragraph, is hereby amended in its entirety to reflect the amended not-to-exceed limit and shall read as follows;

The CITY shall pay the CONTRACTOR for the satisfactory performance of the terms and conditions of this Agreement in the amount not to exceed one hundred twenty-five million five hundred thirty-nine thousand eight hundred seventy-eight dollars (\$125,539,878), as specified in Exhibit 1- Operation of the South Region Services Cost Sheet effective March 1, 2024, subject to the following requirements below. Under no circumstances shall the CONTRACTOR be paid any amount in excess of the not-to-exceed limit.

2. **Section 9, GENERAL CONTRACTOR REQUIREMENTS**, new subsections 9.1.1 COVID-19

Vaccination Ordinance, 9.1.2 Municipal Lobbying Ordinance, 9.1.3 Fair Chance Initiative for Hiring Ordinance, 9.1.4 Disclosure of Border Wall Contracting Ordinance, and 9.1.5 Contractor Performance Evaluation Ordinance, immediately following 9.1 - Standard Provisions for City Contracts to read as follows:

9.1.1 COVID-19 Vaccination Ordinance

Employees of CONTRACTOR and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, "Contractor Personnel"), while performing

services under this Agreement and prior to interacting in person with CITY employees, contractors, volunteers, or members of the public (collectively, "In-Person Services") must be fully vaccinated against the novel coronavirus 2019 ("COVID-19"). "Fully vaccinated" means that 14 or more days have passed since Contractor Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention.

Prior to assigning Contractor Personnel to perform In-Person Services, the CONTRACTOR shall obtain proof that such Contractor Personnel have been fully vaccinated. The CONTRACTOR shall retain such proof for the document retention period set forth in this Agreement. The CONTRACTOR shall grant medical or religious exemptions ("Exemptions") to Contractor Personnel as required by law. If the CONTRACTOR wishes to assign Contractor Personnel with Exemptions to perform In-Person Services, the CONTRACTOR shall require such Contractor Personnel to undergo weekly COVID-19 testing, with the full cost of testing to be borne by CONTRACTOR. If Contractor Personnel test positive, they shall not be assigned to perform In-Person Services or, to the extent they have already been performing In-Person Services, shall be immediately removed from those assignments.

Furthermore, the CONTRACTOR shall immediately notify the CITY if Contractor Personnel performing In-Person Services (1) have tested positive for or have been diagnosed with COVID-19, (2) have been informed by a medical professional that they are likely to have COVID-19, or (3) meet the criteria for isolation under applicable government orders.

9.1.2 Municipal Lobbying Ordinance

The CONTRACTOR is required to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if the CONTRACTOR qualifies as a lobbying entity under Los Angeles Municipal Code §48.02. Agreements submitted without a completed CEC Form 50 by contractors that qualify as a lobbying entity under Los Angeles Municipal Code §48.02 may be subject to penalties, termination of the Agreement, and debarment.

9.1.3 Fair Chance Initiative for Hiring Ordinance

The CONTRACTOR shall be subject to the Fair Chance Initiative for Hiring Ordinance (Contractors' **Fair Chance Initiative for Hiring Ordinance** Use of Criminal History for Consideration of Employment Applications Ordinance). The Ordinance provides, among other things, that contractors and/or subcontractors with at least ten (10) employees are: prohibited from seeking a job applicant's criminal history information until after a job offer is made; must post Fair Chance Initiative for Hiring Ordinance information in conspicuous places at worksites; and cannot withdraw a job offer based on an applicant's criminal history unless a link has effectively been made between the applicant's criminal history and the duties of the job position.

The CONTRACTOR seeking additional information regarding the requirements of the Fair Chance Initiative for Hiring Ordinance may visit the Bureau of Contract Administration's website at <http://bca.lacity.org>.

9.1.4 Disclosure of Border Wall Contracting Ordinance

The CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.50 *et seq.*, 'Disclosure of Border Wall Contracting.' The CITY may terminate this Agreement at any time if the CITY determines that the CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in Los Angeles Administrative Code Section 10.50.1.

The CONTRACTOR shall complete and upload a Disclosure Affidavit on www.rampla.org.

9.1.5 Contractor Performance Evaluation Ordinance

At the end of this Agreement, the CITY will conduct an evaluation of the CONTRACTOR's performance. The CITY may also conduct evaluations of the CONTRACTOR's performance during the term of the Agreement. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the CONTRACTOR assigns to the contract. A CONTRACTOR who receives a "Marginal" or "Unsatisfactory" rating will be provided with a copy of the final CITY evaluation and allowed fourteen (14) calendar days to respond. The CITY will use the final CITY evaluation, and any response from the CONTRACTOR, to evaluate proposals and to conduct reference checks when awarding other personal services contracts.

3. **Section 9, GENERAL CONTRACTOR REQUIREMENTS**, subsection 9.2 FTA Contractual Provisions is hereby amended in its entirety to read as follows:

The CONTRACTOR shall comply with all Contracting Provisions for Federal Transit Administration (FTA) Funds required for agencies that accept Federal Grant Funds attached hereto and incorporated herein as Attachment B – FTA Contracting Provisions (Rev. 1/2024).

The CITY acknowledges that this project is funded with FTA assistance. The CONTRACTOR acknowledges compliance with and submittal of the following certifications and forms in response to the Bid.

Certification of Compliance with Federally Required Contract Clauses

- DUNS and Email (Debarment and Suspension)
- Lobbying Requirements
- 49 CFR part 655 (Drug and Alcohol)
- Buy America Requirements

- Worksite Federal Transit Administration Compliance Officer

Where a conflict exists between Federal, State, local, or the manufacturer's recommended or specified guidelines, Contractors shall apply the more stringent requirement.

4. Exhibit 1, Sections A-D, are hereby replaced in its entirety by Exhibits 1A, 1B, 1C, and 1D – Operation of South Region Services Cost Sheets effective March 1, 2024 are attached hereto and incorporated herein.
5. Attachment B is hereby replaced in its entirety by Attachment B - FTA Contracting Provisions (Rev. 1/2024).
6. Except as herein amended, all other terms and conditions of this Agreement shall remain in full force and effect.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOLLOWS**

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

THE CITY OF LOS ANGELES,
a Municipal Corporation

MV TRANSPORTATION, INC.,
a California Corporation

By signing below, the signatory attests that they have no personal, financial, beneficial, or familial interest in this contract.

By: _____
Laura Rubio-Cornejo
General Manager
Department of Transportation

By*: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:
HYDEE-FELDSTEIN-SOTO, City Attorney

By: _____
Michael Nagle
Deputy City Attorney

By**: _____

Title: _____

Date: _____

Date: _____

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By: _____

Date: _____

City Agreement Number: _____

Council File Number: _____

NOTE: If Contractor is a corporation, two signatures are required.

* The signature of President, Chairman of the Board, or Vice President is required here; and

** An additional signature of Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer is also required for the Corporation.

EXHIBIT 1A
OPERATION OF THE EXISTING SOUTH REGION SERVICES WITH A SHARED-USE TRANSIT MAINTENANCE FACILITY

Form C-6A	Year 1	Year 2	Year 3	Maximum Allowable
Hourly Rate	\$135.68	\$141.24	\$148.30	
Annual Revenue Service Hours	189,118.43	189,118.43	189,118.43	567,355.29
Start-up Costs	\$269,630			\$269,630
Total Cost	\$25,928,959	\$26,711,042	\$28,046,435	\$80,686,436
Line Item 1: Fuel Costs and Electric Charging Costs	\$4,592,266	\$3,973,244	\$5,250,000	\$13,815,510
Line Item 2: Facility Utilities	\$4,325	\$360,000	\$360,000	\$724,325
Line Item 3: As needed Facility Costs	\$0	\$0	\$0	\$0
Line Item 4: Year-by-Year Incremental Increase in Driver's	\$8,777	\$35,000	\$35,000	\$78,777
Line Item 5: As needed Service Costs	\$49,632	\$60,000	\$60,000	\$169,632
Line Item 6: As needed Capital Costs	\$30,000	\$86,385	\$86,386	\$202,771
Line Item 7: Vehicle Leasing Costs	\$0	\$0	\$0	\$0
Line Item 8: Facility Capital Costs	\$48,380	\$48,380	\$48,380	\$145,140
Line Item 9: Facility Maintenance Costs	\$28,248	\$29,095	\$29,968	\$87,311
Line Item 10: Annual Ride Check Option Cost	\$0	\$0	\$0	\$0
Line Item 11: Facility Lease Cost	\$1,098,129	\$1,131,073	\$1,165,005	\$3,394,207
Line Item 12: Market Adjustment	\$0	\$2,125,000	\$2,225,000	\$4,350,000
Line Item 13: PPE				\$100,000
Line Item 14: Driver Wage Increase		\$331,731	\$3,625,528	\$3,957,259
Total Maximum				\$107,711,368

Hourly Rate Adjustments for Decrease in Revenue Service Hours from Base Annual of 189,118.43 Revenue			
Between 10.1% to 15%	\$19.09	\$17.25	\$17.57
Between 15.1% to 20%	\$24.78	\$22.60	\$23.16
Between 20.1% to 30%	\$35.70	\$32.21	\$33.17
Hourly Rate Adjustments for Increase in Revenue Service Hours from Base Annual of 189,118.43 Revenue			
Between 10.1% to 15%	\$2.51	\$1.31	\$2.36
Between 15.1% to 20%	\$0.20	(\$3.04)	(\$1.34)
Between 20.1% to 30%	(\$2.73)	(\$5.17)	(\$3.52)

From Proposal Form C-6A

Hourly Rate Adjustments for Decrease in Revenue Service Hours from Base Annual of 189,118.43 Revenue			
Between 10.1% to 15%	\$154.77	\$158.49	\$165.87
Between 15.1% to 20%	\$160.46	\$163.84	\$171.46
Between 20.1% to 30%	\$171.38	\$173.45	\$181.47
Hourly Rate Adjustments for Increase in Revenue Service Hours from Base Annual of 189,118.43 Revenue			
Between 10.1% to 15%	\$138.19	\$142.55	\$150.66
Between 15.1% to 20%	\$135.88	\$138.20	\$146.96
Between 20.1% to 30%	\$132.95	\$136.07	\$144.78

EXHIBIT 1B
OPERATION OF THE ANTICIPATED SOUTH REGION SERVICES WITH A SHARED-USE TRANSIT MAINTENANCE FACILITY

Form C-6D	Year 1	Year 2	Year 3	Maximum Allowable
Hourly Rate	\$123.21	\$128.76	\$134.72	
Annual Revenue Service Hours	246,774.48	246,774.48	246,774.48	740,323.44
Start-up Costs	\$428,863			\$428,863
Total Cost	\$30,834,068	\$31,773,789	\$33,245,160	\$95,853,017
Line Item 1: Fuel Costs and Electric Charging Costs	\$4,592,266	\$4,073,628	\$5,300,000	\$13,965,894
Line Item 2: Facility Utilities	\$4,325	\$360,000	\$360,000	\$724,325
Line Item 3: As needed Facility Costs	\$0	\$0	\$0	\$0
Line Item 4: Year-by-Year Incremental Increase in Driver's	\$35,000	\$35,000	\$35,000	\$105,000
Line Item 5: As needed Service Costs	\$49,632	\$60,000	\$60,000	\$169,632
Line Item 6: As needed Capital Costs	\$30,000	\$91,875	\$91,876	\$213,751
Line Item 7: Vehicle Leasing Costs	\$0	\$0	\$0	\$0
Line Item 8: Facility Capital Costs	\$48,380	\$48,380	\$48,380	\$145,140
Line Item 9: Facility Maintenance Costs	\$28,248	\$29,095	\$29,968	\$87,311
Line Item 10: Annual Ride Check Option Cost	\$0	\$0	\$0	\$0
Line Item 11: Facility Lease Cost	\$1,098,129	\$1,131,073	\$1,165,005	\$3,394,207
Line Item 12: Market Adjustment	\$0	\$2,125,000	\$2,225,000	\$4,350,000
Line Item 13: PPE				\$100,000
Line Item 14: Driver Wage Increase		\$484,144	\$5,206,385	\$5,690,529
		Total Maximum		\$124,798,806

Hourly Rate Adjustments for Decrease in Revenue Service Hours from Base Annual of 246,774.48 Revenue			
Between 10.1% to 15%	\$15.86	\$15.70	\$13.10
Between 15.1% to 20%	\$20.96	\$20.51	\$18.03
Between 20.1% to 30%	\$30.20	\$28.85	\$26.24
Hourly Rate Adjustments for Increase in Revenue Service Hours from Base Annual of 246,774.48 Revenue Service			
Between 10.1% to 15%	\$2.13	\$1.41	(\$0.34)
Between 15.1% to 20%	\$0.05	(\$0.95)	(\$2.20)
Between 20.1% to 30%	(\$3.49)	(\$4.59)	(\$5.81)

From Proposal Form C-6D

Hourly Rate Adjustments for Decrease in Revenue Service Hours from Base Annual of 246,774.48 Revenue			
Between 10.1% to 15%	\$139.07	\$144.46	\$147.82
Between 15.1% to 20%	\$144.17	\$149.27	\$152.75
Between 20.1% to 30%	\$153.41	\$157.61	\$160.96
Hourly Rate Adjustments for Increase in Revenue Service Hours from Base Annual of 246,774.48 Revenue Service			
Between 10.1% to 15%	\$125.34	\$130.17	\$134.38
Between 15.1% to 20%	\$123.26	\$127.81	\$132.52
Between 20.1% to 30%	\$119.72	\$124.17	\$128.91

EXHIBIT 1C
OPERATION OF THE EXISTING SOUTH REGION SERVICES WITH NON-SHARED USE TRANSIT MAINTENANCE FACILITY

Form C-9A	Year 1	Year 2	Year 3	Maximum Allowable
Hourly Rate	\$136.95	\$142.55	\$149.65	
Annual Revenue Service Hours	189,118.43	189,118.43	189,118.43	567,355.29
Start-up Costs	\$269,630			\$269,630
Total Cost	\$26,168,524	\$26,958,007	\$28,300,978	\$81,427,509
Line Item 1: Fuel Costs and Electric Charging Costs	\$4,592,266	\$3,973,244	\$5,250,000	\$13,815,510
Line Item 2: Facility Utilities	\$4,325	\$360,000	\$360,000	\$724,325
Line Item 3: As needed Facility Costs	\$0	\$0	\$0	\$0
Line Item 4: Year-by-Year Incremental Increase in Driver's	\$8,777	\$35,000	\$35,000	\$78,777
Line Item 5: As needed Service Costs	\$49,632	\$60,000	\$60,000	\$169,632
Line Item 6: As needed Capital Costs	\$30,000	\$86,385	\$86,386	\$202,771
Line Item 7: Vehicle Leasing Costs	\$0	\$0	\$0	\$0
Line Item 8: Facility Capital Costs	\$48,380	\$48,380	\$48,380	\$145,140
Line Item 9: Facility Maintenance Costs	\$28,248	\$29,095	\$29,968	\$87,311
Line Item 10: Annual Ride Check Option Cost	\$0	\$0	\$0	\$0
Line Item 11: Facility Lease Cost	\$1,098,129	\$1,131,073	\$1,165,005	\$3,394,207
Line Item 12: Market Adjustment	\$0	\$2,125,000	\$2,225,000	\$4,350,000
Line Item 13: PPE				\$100,000
Line Item 14: Driver Wage Increase		\$331,731	\$3,625,528	\$3,957,259
Total Maximum				\$108,452,441

Hourly Rate Adjustments for Decrease in Revenue Service Hours from Base Annual of 189,118.43 Revenue Service			
Between 10.1% to 15%	\$19.31	\$17.48	\$17.80
Between 15.1% to 20%	\$25.10	\$22.93	\$23.50
Between 20.1% to 30%	\$36.24	\$32.76	\$33.75
Hourly Rate Adjustments for Increase in Revenue Service Hours from Base Annual of 189,118.43 Revenue Service			
Between 10.1% to 15%	\$2.39	\$1.18	\$2.23
Between 15.1% to 20%	\$0.03	(\$3.22)	(\$1.52)
Between 20.1% to 30%	(\$2.99)	(\$5.43)	(\$3.79)

From Proposal Form C-9A

Hourly Rate Adjustments for Decrease in Revenue Service Hours from Base Annual of 189,118.43 Revenue Service			
Between 10.1% to 15%	\$156.26	\$160.03	\$167.45
Between 15.1% to 20%	\$162.05	\$165.48	\$173.15
Between 20.1% to 30%	\$173.19	\$175.31	\$183.40
Hourly Rate Adjustments for Increase in Revenue Service Hours from Base Annual of 189,118.43 Revenue Service			
Between 10.1% to 15%	\$139.34	\$143.73	\$151.88
Between 15.1% to 20%	\$136.98	\$139.33	\$148.13
Between 20.1% to 30%	\$133.96	\$137.12	\$145.86

EXHIBIT 1D
OPERATION OF THE ANTICIPATED SOUTH REGION SERVICES WITH A NON-SHARED USE TRANSIT MAINTENANCE FACILITY

Form C-9D	Year 1	Year 2	Year 3	Maximum Allowable
Hourly Rate	\$124.18	\$129.76	\$135.75	
Annual Revenue Service	246,774.48	246,774.48	246,774.48	740,323.44
Start-up Costs	\$428,863			\$428,863
Total Cost	\$31,073,634	\$32,020,753	\$33,499,702	\$96,594,089
Line Item 1: Fuel Costs and Electric Charging Costs	\$4,592,266	\$4,073,628	\$5,300,000	\$13,965,894
Line Item 2: Facility Utilities	\$4,325	\$360,000	\$360,000	\$724,325
Line Item 3: As needed Facility Costs	\$0	\$0	\$0	\$0
Line Item 4: Year-by-Year Incremental Increase in Driver's	\$35,000	\$35,000	\$35,000	\$105,000
Line Item 5: As needed Service Costs	\$49,632	\$60,000	\$60,000	\$169,632
Line Item 6: As needed Capital Costs	\$30,000	\$91,875	\$91,876	\$213,751
Line Item 7: Vehicle Leasing Costs	\$0	\$0	\$0	\$0
Line Item 8: Facility Capital Costs	\$48,380	\$48,380	\$48,380	\$145,140
Line Item 9: Facility Maintenance Costs	\$28,248	\$29,095	\$29,968	\$87,311
Line Item 10: Annual Ride Check Option Cost	\$0	\$0	\$0	\$0
Line Item 11: Facility Lease Cost	\$1,098,129	\$1,131,073	\$1,165,005	\$3,394,207
Line Item 12: Market Adjustment	\$0	\$2,125,000	\$2,225,000	\$4,350,000
Line Item 13: PPE				\$100,000
Line Item 14: Driver Wage Increase		\$484,144	\$5,206,385	\$5,690,529
		Total Maximum		\$125,539,878

Hourly Rate Adjustments for Decrease in Revenue Service Hours from Base Annual of 246,774.48 Revenue			
Between 10.1% to 15%	\$16.03	\$15.87	\$13.29
Between 15.1% to 20%	\$21.21	\$20.76	\$18.29
Between 20.1% to 30%	\$30.62	\$29.28	\$26.69
Hourly Rate Adjustments for Increase in Revenue Service Hours from Base Annual of 246,774.48 Revenue Service			
Between 10.1% to 15%	\$2.05	\$1.32	(\$0.43)
Between 15.1% to 20%	(\$0.08)	(\$1.08)	(\$2.33)
Between 20.1% to 30%	(\$3.69)	(\$4.79)	(\$6.01)

From Proposal Form C-9D

Hourly Rate Adjustments for Decrease in Revenue Service Hours from Base Annual of 246,774.48 Revenue			
Between 10.1% to 15%	\$140.21	\$145.63	\$149.04
Between 15.1% to 20%	\$145.39	\$150.52	\$154.04
Between 20.1% to 30%	\$154.80	\$159.04	\$162.44
Hourly Rate Adjustments for Increase in Revenue Service Hours from Base Annual of 246,774.48 Revenue Service			
Between 10.1% to 15%	\$126.23	\$131.08	\$135.32
Between 15.1% to 20%	\$124.10	\$128.68	\$133.42
Between 20.1% to 30%	\$120.49	\$124.97	\$129.74

ATTACHMENT B
FTA Contracting Provisions
(Rev. 1/2024)

Federal Transit Administration (FTA) Contractual Provisions

Part 2 - Federal Transit Administration Required Clauses (rev 1.12.2024)

The City of Los Angeles, referred to as "CITY" in the Agreement and herein, shall be referred to herein additionally as "Participant" or "Recipient."

1. No Federal Government Obligations to Third Parties.
 - a. Participant and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying Contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this Contract and shall not be subject to any obligations or liabilities to the Participant, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying Contract.
 - b. Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.
2. False Statements or Claims, Civil and Criminal Fraud.
 - a. Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on Contractor to the extent the Federal Government deems appropriate.
 - b. Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on Contractor, to the extent the Federal Government deems appropriate.

- c. Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.
- 3. Access to Third Party Contract Records.
 - a. Where the Participant is not a State but a local government and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 18.36(i), the Contractor agrees to provide the Participant, the FTA Administrator, the Comptroller General of the United States or any of their authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. Contractor also agrees, pursuant to 49 C.F.R. 633.17 to provide the FTA Administrator or his authorized representatives including any PMO Contractor access to Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311.
 - b. Where the Participant is a State and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 633.17, Contractor agrees to provide the Participant, the FTA Administrator or his authorized representatives, including any PMO Contractor, access to the Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311. By definition, a major capital project excludes contracts of less than the simplified acquisition threshold currently set at \$100,000.
 - c. Where the Participant enters into a negotiated contract for other than a small purchase or under the simplified acquisition threshold and is an institution of higher education, a hospital or other non-profit organization and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 19.48, Contractor agrees to provide the Participant, FTA Administrator, the Comptroller General of the United States or any of their duly authorized representatives with access to any books, documents, papers and record of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions.
 - d. Where any Participant which is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 U.S.C. 5325(a) enters into a contract for a capital project or improvement (defined at 49 U.S.C. 5302(a)1) through other than competitive bidding, the Contractor shall make available records related to the contract to the Participant, the Secretary of Transportation and the Comptroller

General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.

- e. Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
 - f. Contractor agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to maintain same until the Participant, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).
 - g. FTA does not require the inclusion of these requirements in subcontracts.
4. **Changes to Federal Requirements.** Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between Participant and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this Contract.
5. **Civil Rights.**
- a. **Nondiscrimination.** In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act (ADA) of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.
 - b. **Equal Employment Opportunity.** Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The following equal employment opportunity requirements apply to the underlying contract:
 - i. **Race, Color, Creed, National Origin, Sex.** In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit

laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, Contractor agrees to comply with any implementing requirements FTA may issue.

- ii. Age. In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 623 and Federal transit law at 49 U.S.C. § 5332, Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, Contractor agrees to comply with any implementing requirements FTA may issue.
- iii. Disabilities. In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, Contractor agrees to comply with any implementing requirements FTA may issue.
- iv. Contractor also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

- 6. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29

CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, Contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, Contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each Contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

7. Disadvantaged Business Enterprises. The Disadvantaged Business Enterprise (DBE) requirements of 49 CFR Part 26 and USDOT's official interpretations (i.e., Questions & Answers) apply to this Contract. As such, the requirements of this Contract are to make affirmative efforts to solicit DBEs, provide information on who submitted a Bid or quote and to report DBE participation. No preference will be included in the evaluation of Bids/Proposals, no minimum level of DBE participation shall be required as a Condition of Award and Bids/Proposals may not be rejected or considered non-responsive on that basis.
 - a. Transit Vehicle Manufacturer Compliance with DBE Requirements. Before a transit vehicle manufacturer (TVM) may submit a bid or proposal to provide vehicles to be financed with FTA assistance, 49 C.F.R. § 26.49 requires the TVM to submit a certification that it has complied with FTA's DBE requirements.
8. ADA Access. Contractor shall comply with the requirements of 49 CFR FTA C 4710.1 as applicable to this Contract. Equal access and the opportunity should be given to individuals with disabilities to fully participate in or benefit from the goods, services, facilities, privileges, advantages, or accommodations.
 - a. Contractor must comply with the accessibility requirements of DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 C.F.R. part 37, and Joint Access Board/DOT regulations, "Americans with Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 36 C.F.R. part 1192 and 49 C.F.R. part 38.

9. Incorporation of Federal Transit Administration (FTA) Terms. The preceding provisions of this Agreement and the clauses herein include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1F, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. Contractor shall not perform any act, fail to perform any act, or refuse to comply with any (name of grantee) requests which would cause Participant to be in violation of the FTA terms and conditions.
10. Debarment and Suspension (Executive Orders 12549 and 12689). A covered transaction (see 2 C.F.R. §§ 180.220 and 1200.220) must not be entered into with any party listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. 180 that implement Executive Orders 12549 (31 U.S.C. § 6101 note, 51 Fed. Reg. 6370,) and 12689 (31 U.S.C. § 6101 note, 54 Fed. Reg. 34131), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. The Recipient agrees to include, and require each Third Party Participant to include, a similar provision in each lower tier covered transaction, ensuring that each lower tier Third Party Participant:
 - a. Complies with federal debarment and suspension requirements; and
 - b. Reviews the SAM at <https://www.sam.gov>, if necessary to comply with U.S. DOT regulations, 2 CFR Part 1200.
11. Restrictions on Lobbying (31 U.S.C. § 1352). Contractors that apply or bid for an award exceeding \$100,000 must file the certification required by 49 CFR Part 20. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant or any other award covered by 31 U.S.C. § 1352. Each tier must also disclose any lobbying with non-federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-federal award.
12. Solid Wastes. A Recipient that is a state agency or agency of a political subdivision of a state and its Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of

competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

13. Buy America. Contractor agrees to comply with 49 U.S.C. 5323(j) and 49 C.F.R. Part 661, which provide that Federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless a waiver has been granted by FTA or the product is subject to a general waiver. General waivers are listed in 49 C.F.R. 661.7. Separate requirements for rolling stock are set out at 49 U.S.C. 5323(j)(2)(C) and 49 C.F.R. § 661.11. Rolling stock must be assembled in the United States and have at least 70 percent domestic content for rolling stock procurements with the first vehicle scheduled for delivery in 2020 or thereafter.
 - a. Contractor must submit to Participants the appropriate Buy America Certification with all offers on FTA-funded contracts, except those subject to a general waiver. Proposals that are not accompanied by a properly completed Buy America certification are subject to the provisions of 49 CFR 661.13 and will be rejected as nonresponsive.
 - b. Pursuant to Appendix A to §661.7(b), a general public interest waiver from the Buy America requirements applies to microprocessors, computers, microcomputers, or software, or other such devices, which are used solely for the purpose of processing or storing data. This general waiver does not extend to a product or device which merely contains a microprocessor or microcomputer and is not used solely for the purpose of processing or storing data.
14. Byrd Anti-Lobbying Amendment, (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
15. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended

(33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

16. Cargo Preference - Use of United States-Flag Vessels. Contractor agrees to:

- a. Use privately owned United States-Flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to the underlying contract to the extent such vessels are available at fair and reasonable rates for United States-Flag commercial vessels;
- b. Furnish within 20 working days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in the preceding paragraph to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590 and to the FTA Recipient (through the Contractor in the case of a subcontractor's bill-of-lading.)
- c. Include these requirements in all subcontracts issued pursuant to this Contract when the subcontract may involve the transport of equipment, material, or commodities by ocean vessel.

17. Energy Conservation. Contractor agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

18. Bus Testing. Contractor agrees to comply with the Bus Testing requirements under 49 U.S.C. A 5318(e) and FTA's implementing regulation at 49 CFR Part 665 to ensure that the requisite testing is performed for all new bus models or any bus model with a major change in configuration or components, and that the bus model has achieved a passing score. Upon completion of the testing, Contractor shall obtain a copy of the bus testing reports from the operator of the testing facility and make that report publicly available prior to final acceptance of the first vehicle by the Recipient.

19. Pre-Award and Post-Delivery Audit Requirements. Contractor agrees to comply with 49 U.S.C. § 5323(m) and FTA's implementing regulation at 49 C.F.R. part 663. Contractor shall comply with the Buy America certification(s) submitted with its proposal/bid. Contractor agrees to participate and cooperate in any pre-award and post-delivery audits performed pursuant to 49 C.F.R. part 663 and related FTA guidance. Contractor shall submit manufacturer's FMVSS self-certification, Federal Motor Bus Safety

Standards, that the bus complies with relevant FMVSS or manufacturer's certified statement that the contracted buses will not be subject to FMVSS regulations.

20. Fly America. Contractor agrees to comply with 49 USC 40118 (the "Fly America" Act) in accordance with the General Services Administration's regulations at 41 CFR Part 301-10, which provide that recipients and sub recipients of federal funds and their Contractors are required to use U.S. flag air carriers for U.S. government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S.-flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. Contractor agrees to include the requirements of this section in all subcontracts that may involve international air transportation.
21. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each Contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
 - a. In the event of any violation of the clause set forth herein, Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Liquidated damages will be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of this clause in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by this clause.

- b. The Participant will upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in this section.
 - c. Contractor or subcontractor shall insert in any subcontracts the clauses set forth in this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in this agreement.
- 22. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the Recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
- 23. 2 CFR §200.322 Procurement of recovered materials—A non-Federal entity that is a state agency or agency of a political subdivision of a state and its Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
 - a. Environmentally Preferable Products Purchasing Program: In accordance with City of Los Angeles Administrative Code Section 10.32 et seq., it is the policy of the City to specify and purchase Environmentally Preferable Products and

services where criteria have been established by governmental or other widely recognized and respected third-party authorities.

- b. Suppliers and Contractors are encouraged to offer environmentally preferable products and services at competitive prices, and to consider environmental impacts of service delivery by using environmentally preferable products and delivery methods whenever possible.
 - c. Suppliers shall certify in writing the minimum, if not the exact percentage of Recycled Material, both Post- Consumer Recycled Content and Secondary Waste, and other environmental attributes in products to be provided in the performance of any awarded contract. The supplier shall provide such certification even in instances in which the product contains no Recycled Material or other environmental attributes. Failure to provide such certification shall result in the product being deemed to contain no Recycled Material or Environmentally Preferable attributes.
24. Simplified Acquisition Threshold. Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. § 1908, or otherwise set by law, must address administrative, contractual, or legal remedies in instances where Contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. (Note that the simplified acquisition threshold determines the procurement procedures that must be employed pursuant to 2 C.F.R. §§ 200.317–200.327. The simplified acquisition threshold does not exempt a procurement from other eligibility or processes requirements that may apply. For example, Buy America’s eligibility and process requirements apply to any procurement in excess of \$150,000. 49 U.S.C. § 5323(j)(13).)
25. Termination. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-federal entity including the manner by which it will be effected and the basis for settlement. Please see Attachment A, Standard Provisions, (Rev. 10.21) [v.4].pdf, PSC-8, PSC-9 for termination and suspension for more detailed procedures.
26. Privacy Act - 5 U.S.C. 552. Contracts Involving Federal Privacy Act Requirements - The following requirements apply to the Contractor and its employees that administer any system of records on behalf of the Federal Government under any contract:
- a. The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy

Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

- b. The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

27. 2 CFR 200.216 Prohibition on certain telecommunications and video surveillance services or equipment.

- a. Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:
 - i. Procure or obtain;
 - ii. Extend or renew a contract to procure or obtain; or
 - iii. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is:
 - 1. telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
 - 2. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
 - 3. Telecommunications or video surveillance services provided by such entities or using such equipment.
 - 4. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.
 - iv. In implementing the prohibition under Public Law 115-232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and

organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

28. Notification to FTA; Flow Down Requirement. If a current or prospective legal matter that may affect the Federal Government emerges, the Recipient must promptly notify the FTA Chief Counsel and FTA Regional Counsel for the Region in which the Recipient is located. The Recipient must include a similar notification requirement in its Third Party Agreements and must require each Third Party Participant to include an equivalent provision in its subagreements at every tier, for any agreement that is a “covered transaction” according to 2 C.F.R. §§ 180.220 and 1200.220.
- a. The types of legal matters that require notification include, but are not limited to, a major dispute, breach, default, litigation, or naming the Federal Government as a party to litigation or a legal disagreement in any forum for any reason.
 - b. Matters that may affect the Federal Government include, but are not limited to, the Federal Government’s interests in the Award, the accompanying Underlying Agreement, and any Amendments thereto, or the Federal Government’s administration or enforcement of federal laws, regulations, and requirements.
 - c. Additional Notice to U.S. DOT Inspector General. The Recipient must promptly notify the U.S. DOT Inspector General in addition to the FTA Chief Counsel or Regional Counsel for the Region in which the Recipient is located, if the Recipient has knowledge of potential fraud, waste, or abuse occurring on a Project receiving assistance from FTA. The notification provision applies if a person has or may have submitted a false claim under the False Claims Act, 31 U.S.C. § 3729, et seq., or has or may have committed a criminal or civil violation of law pertaining to such matters as fraud, conflict of interest, bid rigging, misappropriation or embezzlement, bribery, gratuity, or similar misconduct involving federal assistance. This responsibility occurs whether the Project is subject to this Agreement or another agreement between the Recipient and FTA, or an agreement involving a principal, officer, employee, agent, or Third Party Participant of the Recipient. It also applies to subcontractors at any tier. Knowledge, as used in this paragraph, includes, but is not limited to, knowledge of a criminal or civil investigation by a Federal, state, or local law enforcement or other investigative agency, a criminal indictment or civil complaint, or probable cause that could support a criminal indictment, or any other credible information in the possession of the Recipient. In this paragraph, “promptly” means to refer information without delay and without change. This notification provision applies to all divisions of the Recipient, including divisions tasked with law enforcement or investigatory functions.