METRO BLUE LINE

OPERATING AGREEMENT

by and between

the

LOS ANGELES COUNTY

TRANSPORTATION COMMISSION

and the

SOUTHERN CALIFORNIA

RAPID TRANSIT DISTRICT

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METRO BLUE LINE OPERATING AGREEMENT

This agreement (the "Agreement") is entered into this ____ day of February, 1991, by and between the Los Angeles County Transportation Commission (the "LACTC"), a public agency created by Sections 130000 et seq. of the California Public Utilities Code and the Southern California Rapid Transit District (the "SCRTD"), a public agency created by Section 30000 et seq. of the California Public Utilities Code, for the Revenue Passenger Service, as hereinafter defined, of the Long Beach/Los Angeles Rail Transit System (the "Metro Blue Line").

RECITALS

WHEREAS, this Agreement supersedes the Testing, Acceptance and Safety Certification Phase Agreement of the Metro Blue Line, dated July 20, 1989 by and between the LACTC and the SCRTD for those segments of the Metro Blue Line open to the public for Revenue Passenger Service and for those segments of the Metro Blue Line which become available for Revenue Passenger Service subsequent to the execution of this Agreement.

WHEREAS, this Agreement pertains solely to the operation of the Metro Blue Line for the period from July 16, 1990 to July 15, 1992 and shall not govern or be used as precedent for any other present or future transit project(s) within the County of Los Angeles.

WHEREAS, the LACTC is the owner of the Metro Blue Line and the SCRTD is the transit guideway operator in accordance with the California Public Utilities Code Section 130254.

WHEREAS, the LACTC will fund Metro Blue Line operations as provided for within this Agreement.

WHEREAS, the SCRTD shall direct and have the responsibility for the day-to-day operations of the Metro Blue Line.

WHEREAS, the LACTC and the SCRTD wish to ensure that the Metro Blue Line is operated in a cost-effective and cost-efficient manner.

AGREEMENT

NOW, THEREFORE, in consideration of the above premises

and of the mutual covenants and obligations hereinafter set forth, the parties hereto hereby agree as follows:

SECTION 1 DEFINITIONS.

As used herein, the following terms shall have the following respective meanings:

Emergency shall mean any sudden event or exigent circumstance involving the Metro Blue Line which results in serious injury or loss of life or an immediate and substantial threat to public safety or the safety of SCRTD personnel, or results in or has the immediate potential to result in "major property damage" (to be defined in the Emergency Procedures Plan pursuant to Section 9.1 of this Agreement), or which will result in "prolonged disruption of service" (to be defined in the Emergency Procedures Plan pursuant to Section 9.1 of this Agreement) on the Metro Blue Line.

Fixed Facilities and Assets shall mean those Metro Blue Line fixed facilities and assets, valued at or in excess of $5,000 per unit with a useful life of at least one (1) year, together with replacements thereof, additions and alterations thereto, and substitutions therefor. The LACTC is the owner of all such Fixed Facilities and Assets.

Metro Blue Line Capital Budget shall mean the document required pursuant to Section 130303 of the California Public Utilities Code and prepared annually for inclusion in the Annual Element of the Regional Transportation Improvement Program, which identifies projects needed to maximize the effective and efficient operation of the Metro Blue Line.

Month and Monthly shall mean the periods of time comprised of 4 week and 5 week increments in each Quarter following the pattern of 4 weeks, 4 weeks and 5 weeks in accordance with the SCRTD budgetary cycle.

Operating Costs shall mean the costs of operation of the Metro Blue Line determined in accordance with the United States of America Office of Management and Budget Circular A-87.

Operating Revenues shall mean:

(a) all passenger fares received by the SCRTD from Metro Blue Line patrons, calculated as follows: the total number of Metro Blue Line passengers carried in the applicable Fiscal Year during the non-free ride period, computed by using a statistically valid sampling technique that meets the Section 15 reporting requirements of the Urban Mass Transportation

Administration ("UMTA"), multiplied by an average fare per passenger equal to $0.52 as described in the proposed LACTC 30 Year Financial Plan - Scenario A; and

(b) the funds received by the SCRTD which are generated on the Metro Blue Line from other sources such as collected fines and parking fees.

Quarter and Quarterly shall mean the three month period closest to the last day of the calendar months of each of March, June, September and December.

Revenue Passenger Service shall mean the rail passenger service on the Metro Blue Line to and from stations in Long Beach, California and Los Angeles, California, and those stations along the route(s) between Long Beach, California and Los Angeles, California where scheduled service is offered to the general public.

SCRTD Fiscal Year shall mean the period comprised of either 52 or 53 weeks ending on the Saturday closest to June 30th of each calendar year.

Working Day shall mean a day that is not a Saturday, a Sunday or a legal holiday.

SECTION 2 TERM OF AGREEMENT.

This Agreement shall be in effect for the following fiscal years or portions thereof: From July 16, 1990 to June 29, 1991 ("Fiscal Year 1991"); from June 30, 1991 to June 27, 1992 ("Fiscal Year 1992"), and from June 28, 1992 to July 15, 1992 ("Fiscal Year 1993").

SECTION 3 RELATIONSHIP OF PARTIES.

3.1 General. The LACTC and the SCRTD intend that the relationship created between them by this Agreement constitutes a relationship wherein SCRTD is the transit operator and LACTC is the owner of the Metro Blue Line. The LACTC is the funding agency for the Metro Blue Line for the term of this Agreement as provided herein. The manner of conducting daily Metro Blue Line operations shall be under the direction of the SCRTD. The SCRTD shall be responsible for its acts and the acts of its agents, employees and servants during the performance of this Agreement. No agent, employee or servant of the SCRTD shall be deemed to be an employee, agent or servant of the LACTC. No agent, employee or servant of the LACTC shall be deemed to be an employee, agent or servant of the SCRTD. Notwithstanding

anything herein to the contrary, the Service Notification Policy and the Service Dispute Policy, as those policies apply to the provision of bus transit service in Los Angeles County, shall apply to the Metro Blue Line.

3.2 Co-operation between the LACTC and the SCRTD. The parties hereto shall co-operate with and assist each other on all matters with respect to the Metro Blue Line set forth in this Agreement.

3.3 Exclusivity of Agreement. The LACTC and the SCRTD acknowledge and agree that this Agreement pertains solely to the operation of the Metro Blue Line for the term of this Agreement and shall not govern or be used by either of the parties as precedent for any other present or future transit project(s) within the County of Los Angeles.

SECTION 4 OPERATING COSTS AND REIMBURSEMENT.

4.1 Operating Cost Reimbursement. The reimbursement payments for each of the following fiscal year periods are as follows:

(a) for Fiscal Year 1991, the "1991 Reimbursement" shall equal (i) the lesser of (a) $31,000,000 or (b) Operating Costs less Operating Revenues (ii) minus any payment made by the LACTC to the SCRTD for the Metro Blue Line prior to the execution of this Agreement, pursuant to LACTC progress payments authorized on October 24, 1990;

(b) for Fiscal Year 1992, the "1992 Reimbursement" shall equal the lesser of (i) $32,240,000 or (ii) Operating Costs less Operating Revenues; and

(c) for Fiscal Year 1993, the "1993 Reimbursement" shall equal the lesser of (i) $1,295,800 or (ii) Operating Costs less Operating Revenues.

All Operating Costs must be supported by adequate documentation that meets the requirements of generally accepted auditing standards in effect as of the date hereof. The SCRTD shall retain all Operating Revenues. The parties hereto agree that the dollar amounts appearing in Exhibit A are included in the 1991, 1992 and 1993 Reimbursements. The SCRTD will operate the Metro Blue Line in accordance with all applicable laws and regulations.

4.2 Reimbursement Adjustment. Notwithstanding foregoing, the 1991 Reimbursement, the 1992 Reimbursement and the 1993 Reimbursement will be adjusted according to actual funds

expended by the SCRTD for the contracts, traction power and insurance premiums set forth in Exhibit A. The LACTC shall reimburse the SCRTD for its actual expenditures for the contracts, traction power or insurance premiums set forth in Exhibit A to the extent such amounts are not included in the 1991, 1992 or 1993 Reimbursements. Before the SCRTD enters into any modification(s), amendment(s) or renewal(s) of the contracts, traction power or insurance premiums listed in Exhibit A, the LACTC shall have final approval as to the terms of such modification(s), amendment(s) or renewal(s). After consultation with the SCRTD, the LACTC may reduce the funding reflected in the 1991 Reimbursement, and each subsequent Reimbursement, if the SCRTD is unable to or does not provide the level of service specified in Exhibit B. Exhibit B sets forth the minimum level of service for the operating program for the term of this Agreement.

4.3 Metro Blue Line Capital Budget. For the 1992 Fiscal Year and the 1993 Fiscal Year, the SCRTD shall prepare a Metro Blue Line Capital Budget for submittal to and approval by the LACTC in accordance with the Transportation Improvement Program ("TIP") process pursuant to Section 130303 of the California Public Utilities Code.

4.4 Capital Budget Adjustments. Any costs which are not included in the Metro Blue Line Capital Budget shall be added to such budget only pursuant to a mutually agreed upon budget amendment.

4.5 Cash Flow Requirements. The SCRTD shall estimate Operating Cost cash flow requirements for the Metro Blue Line on a Quarterly basis. The SCRTD shall, and the LACTC may, monitor the cash flow on a regular basis and the SCRTD shall report any anticipated problems to the LACTC as soon as possible.

4.6 Payments.

(a) On the first Working Day of each Month, the LACTC shall pay to the SCRTD as follows:

(i) For Fiscal Year 1991, an amount equal to one fiftieth of the 1991 Reimbursement multiplied by the number of weeks being paid.

(ii) For Fiscal Year 1992, an amount equal to one fifty second of the 1992 Reimbursement multiplied by the number of weeks in the month being paid.

(iii) For Fiscal Year 1993, the full amount of the 1993 Reimbursement.

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(b) If the amount paid by the LACTC exceeds the amount of Operating Costs less Operating Revenues for the reconciled period, then the LACTC may subtract the difference from the next Monthly payment. LACTC shall perform such reconciliation not more than one quarter after the payment was made.

4.7 Billing of Operating Costs.

(a) For purposes of reconciliation, SCRTD shall bill the LACTC for Operating Costs less Operating Revenues incurred during the Month since the prior bill was submitted. Bills shall be submitted Monthly and shall include all Operating Costs incurred through the last day of the Month most recently ended. All Operating Costs shall be calculated as specified in Section 4.1 above. With each bill, a responsible officer of SCRTD shall certify that all Operating Costs being billed are true and correct and in accordance with this Agreement to the best of his/her knowledge.

(b) With each Monthly bill, SCRTD shall submit the reports listed in Exhibit C, Items A.1 through A.7.

4.8 Capital Reimbursements. The SCRTD shall include in any request for capital reimbursements proper documentation as required by the LACTC, including, but not limited to, bid documents, contracts, TIP identification number (the "A95 Numbers"), and other records as requested by the LACTC. The LACTC shall furnish the A95 Numbers to the SCRTD.

4.9 SCRTD Financing Plan. On March 15, 1991, the SCRTD shall submit to the LACTC a proposed plan setting forth in sufficient detail the financing of Metro Blue Line operations by the SCRTD following the expiration of the term of this Agreement.

4.10 Federal Funds. To the extent that the SCRTD provides any funds to the Metro Blue Line for any reason, including, but not limited to, Operating Costs, the SCRTD shall use only non-federal funds. In any performance, operating or expense reporting and/or audits, the SCRTD shall clearly indicate that all funds provided by the SCRTD for the Metro Blue Line are 100% non-federally funded.

SECTION 5 FUNDING LIMITATIONS.

The LACTC reserves the right to change the funding source or reduce funding based upon changing economic conditions, e.g. estimated funding receipts are lower than anticipated. In such event, the parties hereto agree that the SCRTD reserves the right to make appropriate changes in the level of expenditures

and/or service described in Exhibit B relating to the Metro Blue Line to reflect the reduced funding.

SECTION 6 FACILITIES AND EQUIPMENT.

The LACTC shall ensure, at its own expense, that all Fixed Facilities and Assets meet the applicable state and federal regulations and/or standards at the time that the LACTC accepts the Fixed Facilities and Assets for implementation on the Metro Blue Line Revenue Passenger Service.

SECTION 7 COMPETITIVE PROCUREMENT.

7.1 General. For the duration of this Agreement, the SCRTD shall continue the competitive procurement of those services involving the operation and management of the Metro Blue Line which it procures competitively as of the date hereof. In addition, the SCRTD will competitively procure those categories of services as set forth in Exhibit A, in conformance with the report entitled "Implementation of the Long Beach-Los Angeles Rail Transit Project: Opportunities for Competitive Procurement" attached hereto as Exhibit D, and, furthermore, shall employ a procurement process in conformance with applicable laws and regulations.

7.2 LACTC Review. The SCRTD shall notify the LACTC in writing within 24 hours after the regularly scheduled SCRTD Board of Directors agenda meeting of a decision to recommend to the SCRTD Board of Directors the award of any contract for consideration at the upcoming meeting of the SCRTD Board of Directors. Prior to an award of a contract, if the LACTC believes that a contract has not been procured competitively, the LACTC may demand that the goods or services which are the subject of such contract be procured competitively and the SCRTD shall comply with such demand.

SECTION 8 RESPONSIBILITIES OF SCRTD.

8.1 Operation of Revenue Passenger Service. The SCRTD shall operate Revenue Passenger Service in a safe, reliable and efficient manner. The SCRTD shall make any and all good faith efforts necessary to provide the level of service for the Metro Blue Line as set forth in Exhibit B and to provide associated support activities.

8.2 Operation of Facilities and Equipment. The SCRTD shall operate and maintain the Fixed Facilities and Assets in accordance with this Agreement.

8.3 Maintenance.

(a) General. The SCRTD, and/or its contractor(s), shall maintain in good repair the Metro Blue Line Fixed Facilities and Assets in conformance with industry guidelines, warranty requirements, the maintenance standards and warranty requirements set forth in Exhibit E, hereto, and in conformance with applicable agreements as specified in Exhibit F and Section 8.5 of this Agreement. In particular, the SCRTD shall maintain the appearance of the Fixed Facilities and Assets in a clean manner and free of graffiti.

(b) Preventive Maintenance Program. Within forty-five (45) days from the date of execution of this Agreement, the SCRTD shall submit to the LACTC a preventive maintenance program and inspection schedule for the Fixed Facilities and Assets, which SCRTD shall implement upon the approval of the LACTC.

(c) Default. If the SCRTD does not maintain the Fixed Facilities and Assets in conformance with this Section 8.3, the LACTC may demand in writing from the SCRTD that it cure any such default (the "Notice of Cure") within thirty (30) days of receipt of the Notice of Cure. If the default is not capable of being cured within this initial thirty day period, then the SCRTD must provide to the LACTC sufficient evidence to show that the SCRTD is making reasonable efforts to cure the default in a timely manner. Such reasonableness shall be mutually agreed upon by the parties hereto. The SCRTD shall submit reports to the LACTC every thirty (30) days until the default is cured. The SCRTD and the LACTC shall mutually agree upon the form and content of such reports. The determination of whether or not the SCRTD has cured any such default shall be made jointly by the SCRTD and the LACTC.

8.4 Security and Safety. The SCRTD shall keep Fixed Facilities and Assets and rolling stock in a safe condition at all times. The SCRTD shall operate all Revenue Passenger Service provided pursuant to this Agreement safely and in accordance with safety and security policies as mutually agreed to by the LACTC and the SCRTD, and any rules, regulations, or procedures established by the California Public Utilities Commission or other regulatory authority having jurisdiction. The SCRTD will be responsible for the safekeeping of all Operating Revenues collected by its employees or agents.

8.5 Third Party Agreements. Notwithstanding Section 3.1 of this Agreement, the SCRTD shall fulfill all the terms and conditions of the third party agreements set forth in Exhibit F, as may be amended from time to time. The SCRTD shall not modify, amend, terminate or change the third party agreements

set forth in Exhibit F, without the prior written consent of the LACTC. Upon execution of the Operation and Maintenance Agreements for the Metro Blue Line by and between (i) the County of Los Angeles and the SCRTD; (ii) the City of Los Angeles and the SCRTD, and (iii) the City of Long Beach and the SCRTD, Exhibit F will be amended to include each such agreement and upon execution each such agreement shall be subject to the terms of this Section 8.5.

8.6 Procurement of Equipment. Upon the written request of LACTC, the SCRTD will act as the LACTC's agent for the sole and limited purpose of procuring replacement or additional equipment or related supplies for the Fixed Facilities and Assets.

8.7 Modifications. Any alteration of any item designated as a Fixed Facility or Asset which would affect the form and/or function of such item shall require the prior written approval of the LACTC. Any modifications, changes or alterations of the Fixed Facilities and Assets are the property of the LACTC.

8.8 SCRTD Personnel.

(a) General. The SCRTD shall be solely responsible for the payment of wages and benefits to SCRTD employees who perform services for the Metro Blue Line.

(b) Training, Performance and Qualifications. SCRTD personnel provided hereunder, shall be appropriately trained and qualified in accordance with all applicable state and federal laws and regulations. SCRTD personnel shall effectively and efficiently operate and maintain the Metro Blue Line; perform activities using their best skill and attention; and shall take all necessary precautions during work to protect all persons and property from injury or damage. SCRTD personnel shall hold and maintain valid licenses and certificates as required by all applicable laws.

8.9 Schedule and Fare Information. The SCRTD agrees to provide and post Metro Blue Line schedule and fare information as required to inform the public of same.

SECTION 9 EMERGENCY SERVICE.

9.1 General. In the event of an Emergency and in order to lessen any damage resulting from an Emergency, the SCRTD shall have the authority to suspend Metro Blue Line operations and Revenue Passenger Service. Furthermore, the LACTC reserves the right, after consultation with the SCRTD, to order the suspension of Metro Blue Line operations and Revenue Passenger

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Service due to an Emergency and the SCRTD shall comply with such order.

(a) Within thirty (30) days from the date of execution of this Agreement, the SCRTD shall develop a plan, subject to the approval of the LACTC, setting forth the protocol for notifying specified LACTC individuals of such Emergency and the procedures relating to co-operation between the LACTC and the SCRTD in the event of such Emergency (the "Emergency Procedures Plan"). The Emergency Procedures Plan shall include the method for suspension and resumption of Metro Blue Line operations.

(b) The SCRTD shall provide the LACTC with a preliminary written cost estimate for any expense arising from or related to such Emergency within ten (10) days of such Emergency, which shall be followed by a final written cost estimate within twenty (20) days of such Emergency unless both parties hereto agree that due to the nature of the Emergency it is impossible to provide such estimate.

9.2 Media. Except as otherwise provided in the Emergency Procedures Plan, the SCRTD shall be the initial spokesperson to the media on behalf of the Metro Blue Line in the event of an incident, accident or Emergency. As soon as practicable after the incident, accident or Emergency and in accordance with the terms of the Emergency Procedures Plan, statements made to the media on behalf of the Metro Blue Line shall be jointly approved by the LACTC and the SCRTD; provided, however, that nothing herein shall prevent either party from making statements to the media on its own behalf. Both the LACTC and the SCRTD emphasize the need for extensive co-operation in any dealings with the media concerning an incident, accident or Emergency.

9.3 Emergency Liaison. In the event of an Emergency, designated SCRTD personnel, including, but not limited to, the operations control superintendent or the acting operations control superintendent, shall contact the designated LACTC emergency liaison in accordance with the Emergency Procedures Plan. During an Emergency, the operations control superintendent or the acting operations control superintendent shall make a good faith effort to be available, as often as possible under the circumstances, to the LACTC emergency liaison or to the person(s) designated by the LACTC emergency liaison to supply information requested by the LACTC emergency liaison or his designee concerning such Emergency. The SCRTD shall designate a representative who has up-to-date knowledge concerning the Emergency and who shall be in constant contact with the LACTC emergency liaison or his designee.

SECTION 10 OPERATING SEGMENT.

During the term of this Agreement, additional track segments will be completed and added to Metro Blue Line Revenue Passenger Service as set forth in Exhibit B, hereto. As stations, track sections, power and catenary sections, and ancillary elements become available, they will be placed into service as determined by the LACTC after consultation with the SCRTD as part of the Metro Blue Line. The SCRTD agrees to operate these segments pursuant to the terms and conditions of this Agreement and to Section 130254 of the California Public Utilities Code.

SECTION 11 REPORTS.

11.1 General. The SCRTD shall file reports with the LACTC pursuant to the reporting requirements and report formats set forth in Exhibit C, attached hereto. The SCRTD shall submit all reports required by other authorities including, but not limited to, the California Public Utilities Commission, on a timely basis to the appropriate authorities and concurrently with the transmittal of such reports send a copy or copies thereof to the LACTC.

11.2 Monthly Reports. Within fifteen (15) Working Days after the end of each Month during the term of this Agreement, the SCRTD shall furnish to the LACTC a statement of Operating Revenues and Operating Costs pursuant to Item A.7 of Exhibit C.

SECTION 12 ACCOUNTABILITY.

12.1 Required Records. The SCRTD shall maintain complete and accurate records and files pertaining solely to the Metro Blue Line that are required to satisfy budgeting, state, federal, warranty, and vendor requirements, and all appropriate financial and accounting records as required by law and as may be required herein, including, but not limited to, detailed records of all revenues received from operation of the Metro Blue Line. The SCRTD shall retain all financial and operational records for a period of three (3) years from the close of each applicable SCRTD Fiscal Year, unless otherwise requested by the LACTC.

12.2 Audit. Performance and financial audits of the SCRTD shall be conducted in accordance with state and federal law and the policies of the LACTC. A copy of the audited financial statements and the State Controller's Report shall be forwarded to the LACTC within 120 days of the end of the SCRTD Fiscal Year. The SCRTD will permit the authorized representative or representatives of the LACTC on reasonable notice, as often as reasonably

requested, to visit and inspect any of the Fixed Facilities and Assets and to examine, audit and reproduce financial and operational records, books, accounts, printouts of computer files and supporting documentation. Notwithstanding this Section 12.2, the SCRTD does not waive any obligation it may have pursuant to law with respect to preserving the confidentiality of its documents.

12.3 Inspection.

(a) General. Consistent with the needs of Revenue Passenger Service and with SCRTD operating and safety procedures, copies of which have been provided to the LACTC, the LACTC, as owner of the Metro Blue Line, shall have full access to all Fixed Facilities and Assets. The SCRTD and the LACTC shall cooperate fully with each other to ensure that such access is maintained in a mutually convenient and appropriate manner.

(b) Notice. Whenever possible, the LACTC shall give the SCRTD adequate advance notice of a visit or visits so that arrangements for such visit or visits can be made in a timely and orderly fashion.

(c) Tours. When requested by the LACTC, the SCRTD shall provide passes ("VIP Passes") for rides on the Metro Blue Line and tours of the Metro Blue Line facilities. The LACTC shall provide to the SCRTD the names and affiliations of those individuals receiving VIP Passes. The SCRTD will act in a manner which facilitates such inspections and visits and is consistent with the safety and the needs of the operation of the Metro Blue Line. The LACTC agrees to subject itself to SCRTD control when inspecting or otherwise entering upon areas under control of the dispatcher, including the operator's cab.

12.4 Verification. The LACTC may independently verify all aspects of SCRTD activities pursuant to this Agreement by any means, including, but not limited to, inspections, studies, audits, surveys, or investigations; provided, however, that in conducting such independent verification, the LACTC will not disrupt Revenue Passenger Service, maintenance or other activities necessary for the operation of the Metro Blue Line.

SECTION 13 EXCUSE FROM PERFORMANCE.

13.1 General. Both parties hereto shall be excused from performing their respective obligations hereunder to the extent and for the time they are prevented from so performing by reason of an Emergency or an act of any government or governmental agency or judicial action, which is beyond the reasonable control of the party claiming excuse from performance hereunder.

13.2 Notice. The party claiming excuse from performance shall present to the other party written notice of the facts constituting cause and claiming excuse from performance under this Section as soon as possible, but in no event later than 24 hours from the initial occurrence of the above-referenced Emergency or governmental or judicial act. The claimant shall use its best efforts to eliminate the condition excusing its performance as quickly as possible.

SECTION 14 INDEMNIFICATION.

During the term of this Agreement, both the SCRTD and the LACTC and its subsidiaries shall indemnify and hold harmless each other and their respective officials, employees and agents from and against all losses, claims, demands, payments, suits, actions, recoveries and judgments of every nature and description brought or recoverable against the LACTC and its subsidiaries or the SCRTD, respectively, and/or their officials, employees and agents arising out of any aspect of this Agreement or services performed hereunder.

SECTION 15 INSURANCE.

15.1 Liability Insurance. The SCRTD shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the SCRTD, its agents, representatives, employees or contractors. The SCRTD shall promptly furnish the LACTC's Risk Management Department with complete copies of policies of insurance and endorsements. The LACTC's Risk Manager shall participate in all renewal negotiation or marketing of the general liability coverage of the Metro Blue Line during the duration of this Agreement with the SCRTD. The LACTC and its subsidiaries shall be a named insured in the policy.

15.2 Scope of Coverage.

(a) Coverage shall protect against any liability, loss, occurrences, claims, damages or expenses for which the SCRTD or the LACTC and its subsidiaries may be held liable. Coverage shall apply to claims arising out of all activities related to the operation of the Metro Blue Line in which the SCRTD may engage.

(b) The SCRTD's rail insurance coverage shall be primary insurance with respect to the LACTC and its subsidiaries, its officers, officials, employees, agents and volunteers.

(c) The SCRTD's rail insurance shall apply to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(d) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the LACTC and its subsidiaries.

15.3 Waiver of Subrogation. The SCRTD and the LACTC and its subsidiaries each hereby release and relieve the other, and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against under this Section, which perils occur in, on or about the premises, or equipment, whether due to the negligence of the LACTC and its subsidiaries or the SCRTD or their agents, employees, contractors and/or invitees. The SCRTD shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Agreement and shall obtain an endorsement to such policies that acknowledges and agrees to the waiver of subrogation contained herein.

15.4 Costs. Exhibit A shall include all costs of the provision of insurance set forth in this Section and its administration by the SCRTD. The costs of claims against the LACTC and its subsidiaries and the SCRTD which are within the self-insured retention of the Metro Blue Line insurance provided for herein are not a part of the 1991, 1992 or 1993 Reimbursements, and shall be funded separately by the LACTC and its subsidiaries as the claims arise and become payable. Funding for incurred but not reported claims and increases to the outstanding reserves for all open claims is the responsibility of the LACTC for the life of the claims regardless of the duration of this Agreement. The SCRTD shall continue to be the administrator of all Metro Blue Line claims for the duration of this Agreement.

SECTION 16 LABOR RELATIONS.

In the event that the SCRTD has knowledge that an actual or potential labor dispute prevents or threatens to prevent timely performance under this Agreement, an immediate written notice setting forth all relevant information concerning the dispute shall be delivered to the LACTC.

SECTION 17 AFFIRMATIVE ACTION.

The SCRTD shall adhere to its adopted Affirmative Action and Disadvantaged Business Enterprise Programs in conducting the operation of the Metro Blue Line.

SECTION 18 ADVERTISING AND MARKETING.

18.1 Public Information. The SCRTD shall develop a public information program for the Metro Blue Line, including, but not limited to, information on fares, transit service, public hearings, safety requirements, law enforcement, legal notices and any other information relating to Metro Blue Line operation or Revenue Passenger Service. If from time to time the LACTC wishes to provide or display public information related to transit (e.g., the LACTC rail development program), the LACTC shall submit the proposed display or information to the SCRTD and the SCRTD shall display or provide the information in concert with its own public information program.

18.2 Logo. The LACTC and the SCRTD have designated an exclusive paint scheme and logo that shall be used at all times to identify Metro Blue Line Fixed Facilities and Assets, operations and services.

18.3 Advertising Display. The SCRTD and the LACTC shall jointly develop a policy for paid promotional materials and paid advertising displays on or in the railcars, stations and other fixed facilities of the Metro Blue Line.

SECTION 19 DISPUTE RESOLUTION.

The parties hereto shall use their best efforts to resolve any and all disputes which may arise between the SCRTD and the LACTC regarding the Metro Blue Line.

SECTION 20 CHANGES TO AGREEMENT.

In the event that either party desires that a change be made to this Agreement, the party proposing the change shall provide written notice to the other party describing such proposed change and the circumstances requiring such change. The parties will then make a good faith effort to resolve the matter either through an amendment to this Agreement or the exhibits hereto, or otherwise. The terms and provisions of this Agreement may not be modified or amended, or any of the provisions hereof waived, temporarily or permanently, except pursuant to the

written consent of the party against whom such modification, amendment or waiver is sought.

SECTION 21 NOTICES.

Unless otherwise provided in this Agreement, all notices, requests, instructions or other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or duly sent by first class registered or certified mail postage prepaid or duly sent by telex or facsimile transmission and confirmed by first class mail addressed to such party at the address set forth below or such other address as hereafter may be designated by the addressee to the addressor. All such notices and communications shall be deemed to have been received (a) in the case of personal delivery, on the date of such delivery, (b) in the case of telex or facsimile transmission, on the date on which the sender receives confirmation that such notice was received by the addressee, and (c) in the case of mailing, on the fifth business day following the date of such mailing.

If to: LACTC

Executive Director,
Los Angeles County Transportation Commission
Re: Metro Blue Line
818 West Seventh Street - Suite 1100
Los Angeles, CA 90017

If to: SCRTD

General Manager,
Southern California Rapid Transit District
Re: Metro Blue Line
425 South Main Street
Los Angeles, CA 90013

SECTION 22 SEVERABILITY, GOVERNING LAW.

If any provision of this Agreement shall be determined to be illegal and unenforceable by any court of law, the remaining provisions shall be severable and enforceable in accordance with their terms. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 23 SUCCESSORS AND ASSIGNS.

All terms, conditions and provisions hereof shall inure to and shall bind the parties hereto and each of their respective successors and assigns. The SCRTD shall not assign, license or transfer its interest in this Agreement without the prior written consent of the LACTC.

SECTION 24 WAIVER.

Failure of either party to object to any default or to any other act or omission of the other which is in violation of the terms of this Agreement shall not be deemed a waiver of the right to object to any subsequent default, act or omission whether similar or dissimilar.

SECTION 25 COMPLIANCE WITH LAW.

Neither party will require the other to take or to refrain from taking any action that would cause the other party to violate any law, regulation, rule, order or transit industry standard. Both parties shall cooperate fully with each other to obtain any approvals required by statute, regulation or order from all other governmental agencies regarding ownership and operation of the Metro Blue Line, including, but not limited to, the California Public Utilities Commission. Furthermore, notwithstanding anything herein to the contrary, the SCRTD shall comply with all applicable state and federal laws and regulations.

SECTION 26 MISCELLANEOUS.

26.1 Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one agreement.

26.2 Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

26.3 Nouns and Pronouns. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include plural and vice-versa.

26.4 Entire Agreement. This Agreement, together with the other writings referred to herein or delivered pursuant

hereto, which form a part hereof, contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous arrangements or understandings with respect thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above-written.

SOUTHERN CALIFORNIA
RAPID TRANSIT DISTRICT

Nikolas Patsaouras
President

Alan Pegg
General Manager

MAR 26 1991

Date

Approved as to Form;
Counsel/SCRTD

Suzanne B. Gifford

By: Helen M. Bolen
Helen M. Bolen
District Secretary

LOS ANGELES COUNTY
TRANSPORTATION COMMISSION

Ray Grabinski
Chair

Neil Peterson
Executive Director

Date 3-8-91

Approved as to Form;
Counsel/LACTC
Dewitt W. Clinton,
County Counsel

By:
Deputy

By: Katherine Y. Torigoe
Katherine Y. Torigoe
Executive Secretary

GEH:COUNTY.LA AL192P1G.290

EXHIBIT A

CONTRACTS, TRACTION POWER AND INSURANCE PREMIUMS

METRO BLUE LINE MAINTENANCE CONTRACTS

CONTRACTOR	CONTRACT NO.	SUBJECT	CONTRACT AMT.	TERM	RENEWAL OPTION
General Farebox, Inc.	5354	Service TVMs	$2,113,483	7/16/90-7/15/93	Yes
Federal Armored Express, Inc.	5338	Handling of TVM Coins and Currency	360,000	7/9/90-6/30/91	Yes
Damas Nursery	5335	Landscaping Services	22,000	6/11/90-6/10/91	Yes
Empire Maintenance	5340	Janitorial	304,412	6/25/90-6/30/91	Yes
California Suppression Systems	5387	Fire Detection & Suppression	85,000	9/1/90-8/30/91	Yes
Millar Elevator	5360	Elevator Maint. & Repair	24,000	7/20/90-6/30/91	No
Building Maintenance Specialists	5356	Graffiti Removal	364,908	7/9/90-7/8/91	Yes

METRO BLUE LINE MAINTENANCE CONTRACTS (continued)

CONTRACTOR	CONTRACT NO.	SUBJECT	CONTRACT AMT.	TERM	RENEWAL OPTION
Graffiti Prevention Systems	5357	Graffiti Removal	$ 233,873	7/16/90-7/15/91	Yes
BTB International	5392	Safety & Communications Equipment Maintenance	293,610	9/17/90-9/16/91	Yes
Preventive Maintenance Services	5463	Building Maintenance	100,000	1/2/91-12/31/91	Yes
L.A. County Internal Services Dept.	5464	Building Maintenance	100,000	1/2/91-12/31/91	Yes
L.A. County Sheriff's Dept.	5396	Security	9,954,450	7/16/90-6/30/92	Yes
Excel Security Services	5377	Security - Parking Lots	698,000	8/1/90-7/31/92	Yes
Executive Suite Services	5405	Trash & Debris Removal from Right of Way	67,600	9/24/90-9/23/91	Yes
A-1 Power Sweeping	5406	Parking Lot Sweeping	33,264	9/24/90-9/23/92	Yes

METRO BLUE LINE MAINTENANCE CONTRACTS (continued)

CONTRACTOR	CONTRACT NO.	SUBJECT	CONTRACT AMT.	TERM	RENEWAL OPTION
Crown Fence	P.O. 0968026	Fence Repairs & Modifications	$ 20,000	7/11/90-6/30/91	Yes

METRO BLUE LINE TRACTION POWER

Fiscal Year 1991 $1,610,000 [1, 2] (estimate)

METRO BLUE LINE INSURANCE PREMIUMS

Fiscal Year 1991 $1,089,000 [1, 3] (estimate)

1. Original budgeted estimate.
2. Current annualized operating estimate for Traction Power could reach $2,470,000.
3. Current annualized operating estimate for Insurance Premiums could reach $1,400,000.

EXHIBIT B

METRO BLUE LINE MINIMUM REVENUE PASSENGER SERVICE LEVELS

A. FIRST SEGMENT - (PICO TO ANAHEIM)

In the first three months of Revenue Passenger Service (July 1990-September 1990), Metro Blue Line service will run between Anaheim Station (Long Beach) and Pico Station (Los Angeles). Shuttle bus service will be provided from the interim termini to 7th/Flower and downtown Long Beach, respectively. Trains are assumed to run weekdays, weekends and holidays, as follows:

	FROM	TO	FREQUENCY	TRAINS/ CARS ON-LINE
Weekdays (Monday-Friday)				
AM Peak	5:30AM	8:30AM	10 min.	10/2 - car
Midday	8:30AM	3:30PM	15 min.	5/1 - car
PM Peak	3:30PM	6:30PM	10 min.	10/1 - car
Evening	6:30PM	8:00PM	20 min.	4/1 - car
Weekends/Holidays				
Early AM	6:00AM	9:00AM	20 min.	4/1 - car
Midday	9:00AM	6:00PM	15 min.	7/1 - car
Evening	6:00PM	8:00PM	20 min.	4/1 - car

B. SECOND SEGMENT - (PICO TO LONG BEACH)

In the months between September 1990 and June 1991, Metro Blue Line Revenue Passenger Service will be extended to the Long Beach Loop. Trains are assumed to run on weekdays, weekends and holidays, as follows:

	FROM	TO	FREQUENCY	TRAINS/ CARS ON-LINE
Weekdays (Monday-Friday)				
AM Peak	5:30AM	8:30AM	10 min.	12/2 - car
Midday	8:30AM	3:30PM	20 min.	6/1 - car
PM Peak	3:30PM	6:30PM	10 min.	12/2 - car
Evening	6:30PM	8:30PM	20 min.	6/1 - car

B. SECOND SEGMENT - (PICO TO LONG BEACH) (continued)

Weekends/Holidays

Early AM	5:30AM	9:00AM	30 min.	4/1 - car
Midday	9:00AM	6:00PM	15 min.	8/1 - car
Evening	6:00PM	8:30PM	30 min.	4/1 - car

C. THIRD SEGMENT - (7TH/FLOWER TO LONG BEACH LOOP)

With the Metro Blue Line fully operational beginning early 1991 from Long Beach (1st/Pacific) to 7th/Flower, Revenue Passenger Service will be provided on weekdays, weekends and holidays, as follows:

	FROM	TO	FREQUENCY	TRAINS/ CARS ON-LINE
Weekdays (Monday-Friday)				
AM Peak	5:30AM	8:30AM	10 min.	13/2 - car
Midday	8:30AM	3:30PM	15 min.	13/1 - car
PM Peak	3:30PM	6:30PM	10 min.	13/2 - car
Evening	6:30PM	9:30PM	20 min.	6/1 - car
Saturdays				
Early AM	6:00AM	9:00AM	20 min.	6/1 - car
Midday	9:00AM	6:00PM	20 min.	13/1 - car
Evening	6:00PM	8:30PM	20/30 min.	6/1 - car
Sundays and Holidays				
All Day	7:00AM	8:00PM	20 min.	6/1 - car

SCRTD LIBRARY

EXHIBIT C: REPORTING REQUIREMENTS FOR METRO BLUE LINE SERVICE

A. MONTHLY EXPENSE REPORT AND REIMBURSEMENT REQUESTS

1. Billing Summary and Application of Fringe Benefit and General and Administrative Costs
2. Monthly Metro Blue Line Modal Revenue and Expense Summary
3. Monthly Metro Blue Line Direct Labor by Department Summary
4. Monthly Metro Blue Line Contract Services Cost Summary (for those contracts identified by LACTC)
5. Monthly Metro Blue Line Materials and Supplies Issues
6. Summary of Operating Revenues and Operating Costs to date
7. Report of Operating Revenues and Operating Costs to date

B. MONTHLY SUMMARY OF WARRANTY CLAIMS, REPAIR OR MAINTENANCE ACTIVITIES

C. MONTHLY INCIDENT REPORTS (VEHICLE, RIGHT-OF-WAY, STATION, PASSENGER, REVENUE AND NON-REVENUE)

D. MONTHLY SUMMARY OF INSURANCE CLAIMS

E. AUDITS OF FIXED FACILITIES AND ASSETS FOR THE PERIODS JULY 16, 1990 AND JULY 15, 1992

F. QUARTERLY STATEMENT OF CHANGES IN FIXED FACILITIES, ASSETS OR CAPITAL REQUEST NEEDS

G. PERIODIC SUMMARY OF LOS ANGELES COUNTY SHERIFF'S DEPARTMENT ACTIVITY AND OTHER SECURITY OCCURRENCES

H. EMERGENCY INCIDENT REPORTS - BY OCCURRENCE

I. PUC REPORTS AS REQUIRED BY STATUTE

J. UMTA SECTION 15 REPORTS (ANNUALLY)

K. MARKETING ACTIVITY QUARTERLY REPORT

EXHIBIT C: REPORTING REQUIREMENTS FOR METRO BLUE LINE SERVICE (continued)

L. MONTHLY PASSENGER COMPLAINTS

M. ANNUAL FINANCIAL AUDIT

N. STATE CONTROLLER'S REPORT

O. MONTHLY REPORT ON PERFORMANCE OF METRO BLUE LINE, TO INCLUDE RIDERSHIP, FARES COLLECTED AND OPERATING RATIO

Exhibit C (continued)
Report Format A.7

METRO BLUE LINE OPERATING COST REPORT
FOR THE _____ MONTH PERIOD ENDED _____

	Current-Period	Contract-To-Date
	Actual	Cumulative
Revenues		
Farebox/Passenger Revenues		
Other Operating Revenues:		
Fines		
Advertising		
Other		
Total Revenue		
Labor for Operations:		
Transportation		
Equipment Maintenance		
Facilities Maintenance		
Support Departments		
Free Ride Period Labor		
Total Labor		
Contracted Services:		
L.A. County Sheriffs Dept.		
SCRTD Security		
TVM Maintenance		
Other Comm. Equip. Maint.		
Graffiti Removal-Buildings		
Graffiti Removal-Rail Cars		
Major LRV Maint.-Vehicle Repair		
Building Maintenance		
Station/Janitorial		
Revenue Collection		
Claims Administration		
Other Contracted Services		
Total Contracted Services		

Exhibit C (continued)
Report Format A.7

METRO BLUE LINE OPERATING COST REPORT
FOR THE _____ MONTH PERIOD ENDED _____

	Current-Period Actual	Contract-To-Date Cumulative
Parts, Supplies and Other Non-Labor Costs:		
Utilities <Including Traction Power>		
Parts		
Expendable Supplies		
Insurance Premiums		
Metro Blue Line Connecting Service		
Other Non-Labor Cost		
Total Direct Cost		
General and Administrative Cost		
Total Operating Cost		
Estimated Net Operating Cost		

EXHIBIT D: IMPLEMENTATION OF THE LONG BEACH-LOS ANGELES RAIL TRANSIT PROJECT: OPPORTUNITIES FOR COMPETITIVE PROCUREMENT

RTD

Alan F. Pegg
General Manager

January 26, 1989

TO: Board of Directors

FROM: Alan F. Pegg

SUBJECT: IMPLEMENTATION OF THE LONG BEACH-LOS ANGELES RAIL TRANSIT PROJECT: OPPORTUNITIES FOR COMPETITIVE PROCUREMENT

INTRODUCTION

The Eight Point Agreement recently approved by the Board of Directors and the Los Angeles County Transportation Commission includes wording supporting expansion of procuring goods and services through the competitive bidding process. Competitive bidding is not a new process, as it has been used by the District for many years. Examples of present work being performed under contract by the private sector includes maintenance of elevators and escalators, landscaping, pest control, alcohol and drug testing, and routine maintenance of park/ride facilities, seat reupholstering, rewiring of the double-deck buses and rebuilding of engines for the articulated buses.

Since adoption of the Eight Point Agreement, we have been examining all work areas of the Long Beach-Los Angeles Rail Transit Project exclusive of the actual movement, control and maintenance of the cars as provided for under the Agreement. Areas of work include maintenance of facilities, track, stations, component repair, security, cash collection from ticket machines, as well as those tasks already under District contracts that will need to incorporate the project's requirements.

BACKGROUND

On-time start of rail operations requires that the District initiate and complete a whole series of actions promptly to ensure that the necessary services are in place. Accordingly, District and Commission staff have engaged in a thorough and cooperative effort to develop a comprehensive program to accomplish a June 1990, start-up, including competitive procurement as required by the Eight Point Agreement. The result of the work on competitive procurement is supported by the staffs of both agencies, and as outlined in this report, provides a sound basis for complying with the competitive procurement provision of the Eight Point Agreement while ensuring a cost-effective and on-time project implementation.

It should be noted that, while the Eight Point Agreement requires that the District competitively procure activities other than "vehicle movement, maintenance of equipment, operational planning and fare setting at a

minimum," staff is committed to continuing to pursue outside contracting opportunities which may further the cost-effective operation of all transit services, including both the bus and the rail system.

The principal areas where the District is initiating the competitive procurement process for the Long Beach-Los Angeles Rail Transit Project include various facility, transit station, and right-of-way maintenance functions; maintenance of fixed equipment such as ticket machines, elevators and escalators, computers, overhead catenary and so forth; ticket machine stocking and revenue processing; and security functions at fixed locations.

The next step in this process will be the issuance of RFPs to the private sector. These RFPs are being developed and will be issued as soon as possible.

Actual vendor response to these RFPs will be evaluated based on a least-cost basis which will include such factors as contract value, impact on system control and reliability, safety, and security.

OBJECTIVES AND CRITERIA

Both the Light Rail and Metro Rail projects have reviewed the issue of contracting in great detail. The System Maintenance Plan (April 1988) prepared for the Metro Rail Project describes the objectives most clearly:

- Provide the maintenance activities needed to support a safe transit system
- Provide a high level of service dependability
- Provide clean vehicles and facilities
- Perform all maintenance activities in an efficient, cost-effective manner

Staff has developed selection criteria and has applied them to a variety of tasks to assess their potential for competitive procurement. Attachment 1 presents these criteria, divided into four main categories. Cost, of course, is the ultimate criteria once the operational requirements of service reliability, safety and responsiveness have been satisfied.

The four selection criteria were assigned numerical weights to produce an index for selection of the initial activities to be contracted. Those activities scoring 70 or higher on the index are being processed immediately for competitive procurement. Those scoring 40 - 69 points will likely require a combined in-house and contractor effort, while those scoring less than 40 will probably have to be performed in-house.

Staff of the Los Angeles County Transportation Commission has reviewed drafts of the Attachment and their comments received to date have been incorporated.

The Board of of Directors is requested to review the process described and to offer comments on the criteria, the methodology, and the results as they affect the Eight Point Agreement. Due to procurement lead times, this matter must be finalized at the earliest possible date to ensure an on-time start-up for the Long Beach-Los Angeles Rail Transit Project.

CONCLUSION

Based upon the approach outlined in this report and in the attachments, we will be pursuing a competitive procurement program which complies with the provisions of the Eight Point Agreement, the requirements of sound business practices, and the light rail start-up schedule. All contracts will be brought to the Board for approval in accordance with adopted Board policy, and this matter will be incorporated into the regular reporting process on Rail Activation.

Respectfully,

Alan F. Pegg

Arthur T. Leahy
Acting Assistant General Manager
for Operations

Barbara J. Hanson
Director of Rail Activation

Attachment

Feasibility Table - Contracting of Facilities Maintenance Tasks
Long Beach - LA Light Rail System January 23, 1989

Definitions

SA&R - Equipment Service Availability and Reliability----------Max points 40

Safety - safety and security of trains, wayside, passengers and personnel---Max points 30

Admin - Contract Administration and Scope----------Max points 20

UF&M - Uniqueness and Frequency of Maintenance----------Max points 10

Feasibility - High scores indicate feasibility. Max total 100

Scores: 70-100 Contract Maintenance Recommended
40-69 Contract Maintenance Feasible
20-39 Contract Maintenance Not Recommended
0-19 Contract Maintenance Not Feasible

Task	SA&R	Safety	Admin	UF&M	Feasibility
Software - Application Maintenance	40	30	15	10	95
Shop Equipment	35	30	20	10	95
Computers (Personal)	40	30	15	5	90
Elevators and Escalators	30	30	20	8	88
Landscaping	40	25	20	0	85
Janitorial/Graffiti Removal	40	20	20	5	85
Right of Way Vegetation/Tree Control	35	15	20	10	80
Fare Collection Equipment	25	30	20	5	80
Public Address	40	20	20	0	80
Closed Circuit Television	40	20	20	0	80
Building Maintenance	30	25	10	0	65
Safety and Security (Alarm Systems)	30	10	10	5	55
Telephone	20	15	15	0	50
Track	15	15	10	10	50
Bridges/Structures/Tunnels	15	15	15	5	50
Power Systems	10	15	10	0	35
Software - Tables/Reports	0	30	0	0	30
Signaling Systems	5	5	10	5	25
Control Systems/Equipment	5	5	10	5	25
CTS Fiber Optics and Multiplex	10	0	5	5	20

Feasibility Backup Documentation

January 23, 1989

A. Software - Applications

1. Equipment Service Availability and Reliability - Applications software that the system relies upon must be modified only by the original manufacturer. (40)
2. Safety - (30)
   a) Trains - No impact.
   b) Wayside - No impact.
   c) Passenger and Personnel - No impact.
3. Contract Administration and Scope - Applications software normally has established procedures and prices. Vendor may sometimes be non-responsive. (15)
4. Uniqueness and Frequency of Maintenance - Changes to application software that are not table driven will be rare and infrequent. (10)

Total --95--

B. Specialized Shop Equipment

1. Equipment Service Availability and Reliability - Allowing those people who specialize in certain areas to do the work saves District employees for more frequent tasks. There could be some service delays if contractor response was inadequate. However, with the initial spare vehicle factor such impact would be minimal. (35)
2. Safety (30)
   a) Trains - Trains will be out of service and spares will be in their place when specialized equipment is needed.
   b) Wayside - No impact.
   c) Passenger and Personnel - Personnel safety will be enhanced as specialized equipment can also be dangerous.
3. Contract Administration and Scope - Special shop equipment tends to have a narrow scope and can therefore be contracted for more easily. (20)
4. Uniqueness and Frequency of Maintenance - Specialized equipment requires special knowledge and tools. By definition, if a task becomes frequent and repetitive, then the "specialized tools" necessary to complete the tasks can be purchased. (10)

Total --95--

C. Computers - PC's

1. Equipment Service Availability and Reliability - No impact. (40)
2. Safety (30)
   a) Trains - No impact.
   b) Wayside - No impact.
   c) Passenger and Personnel - No impact.

3. Contract Administration and Scope - Contractors are readily available. Vendors may be slow but service is available. (15)
4. Uniqueness and Frequency of Maintenance - Reliable but large number of units may cause frequent service calls. (5)

Total --90--

D. Elevators and Escalators
1. Equipment Service Availability and Reliability - Possible minor impact on handicapped passengers. (30)
2. Safety - No impact. However, personnel must be certified. (30)
   a) Trains
   b) Wayside
   c) Passenger and Personnel
3. Contract Administration and Scope - Easily accomplished. (20)
4. Uniqueness and Frequency of Maintenance - seldom fails. Limited internal capability advantageous. (8)

Total --88--

E. Landscaping
1. Equipment Service Availability and Reliability - No impact. (40)
2. Safety No impact. Inadequate maintenance could cause problems. (25)
   a) Trains
   b) Wayside
   c) Passenger and Personnel
3. Contract Administration and Scope - Easily accomplished. (20)
4. Uniqueness and Frequency of Maintenance - maintenance is frequent and not unique. (0)

Total --85--

F. Janitorial Services/Graffiti Removal
1. Equipment Service Availability and Reliability - No impact. (40)
2. Safety (20) In all three categories, lack of janitorial maintenance especially in the cleanup of spills could cause problems.
   a) Trains
   b) Wayside
   c) Passenger and Personnel
3. Contract Administration and Scope - No impact. (20)
4. Uniqueness and Frequency of Maintenance - Somewhat unique but frequent. (5)
5. Potential exists for contracting with individual cities for services within their jurisdictions.

Total --85--

G. Right of Way Vegetation/Tree Control
1. Equipment Service Availability and Reliability - No impact. (35)
2. Safety - Minimal impact. (15)
3. Contract Administration and Scope - Contract may hard to administer and get vendor response. (20)
4. Uniqueness and Frequency of Maintenance - Requires specialized equipment and tools. (10)
5. Potential exists for contracting with individual cities for services within their jurisdictions.

Total --80--

H. Fare Collection Equipment
1. Equipment Service Availability and Reliability - Multiple fare collection machines at station sites and contingency plans should minimize impact. (25)
2. Safety (30)
   a) Trains - No impact
   b) Wayside - No impact
   c) Passenger and Personnel - No impact
3. Contract Administration and Scope - It should be relatively easy to set up a maintenance contract including scope on this equipment. (20)
4. Uniqueness and Frequency of Maintenance - Expected to need regular maintenance caused by public contact and vandalism. Unique and specialized parts. Fare collection and security procedures would have to be modified to accommodate vendor participation. (5)

Total--80--

I. Public Address
1. Equipment Service Availability and Reliability - No impact. (40)
2. Safety (20) - Passenger safety could be affected by inability to make announcements.
   a) Trains
   b) Wayside
   c) Passenger and Personnel
3. Contract Administration and Scope - Contractible easily. (20)
4. Uniqueness and Frequency of Maintenance - Common equipment that needs frequent maintenance. (0)

Total --80--

J. CCTV
1. Equipment Service Availability and Reliability - Trains will run whether monitored or not. (40)
2. Safety (20)
   a) Trains - No impact.
   b) Wayside - No impact.
   c) Passenger and Personnel - Operable equipme enhances safety and security.

3. Contract Administration and Scope - Equipment contractors readily available. (20)
4. Uniqueness and Frequency of Maintenance - Maintenance will be frequent and is not unique. (0)

Total --80--

K. Building Maintenance
1. Equipment Service Availability and Reliability - Some station functions could be impacted and indirectly, the line itself. (30)
2. Safety - Minimal impact.(25)
3. Contract Administration and Scope - Building maintenance response time may be a problem. (10)
4. Uniqueness and Frequency of Maintenance - Building problems and common and frequent. (0)

Total --65--

L. Safety and Security
1. Equipment Service Availability and Reliability - Faulty security and/or monitoring equipment could cause delays or halts in service. (30)
2. Safety - Many safety issues are raised if the security is not properly maintained. (10)
   a) Trains
   b) Wayside
   c) Passenger and Personnel
3. Contract Administration and Scope - Hard to scope as equipment types are extensive. (10)
4. Uniqueness and Frequency of Maintenance - Some elements will fail frequently while others will be reliable and unique. (5)

Total --55--

M. Telephone
1. Equipment Service Availability and Reliability - Delays and outages could be caused by down phone systems. (20)
2. Safety - Accidents could occur or not be averted by lack of telephone contact. (15)
   a) Trains
   b) Wayside
   c) Passenger and Personnel
3. Contract Administration and Scope - Special phones and interfaces could be problematic. Switching systems are more likely candidates for contract maintenance while individual telephones are better maintained by District personnel. (15)
4. Uniqueness and Frequency of Maintenance - Not unique and will need frequent maintenance. (0)

Total --50--

N. Track

1. Equipment Service Availability and Reliability - Track outages directly affect train movement. Day to da maintenance is more difficult to contract whil programmed maintenance activity could be more easily contracted. (15)
2. Safety - Poorly maintained tracks can cause accidents. (15)
   a) Trains
   b) Wayside
   c) Passenger and Personnel
3. Contract Administration and Scope - Possibly hard to administer and enforce vendor timeliness. (10)
4. Uniqueness and Frequency of Maintenance - Specialized field. (10)

Total --50--

O. Bridges/Structures/Tunnels

1. Equipment Service Availability and Reliability - Components are integral to system operation. (15)
2. Safety - Faulty maintenance could cause serious accidents. (15)
3. Contract Administration and Scope - Vendor availability needs further assessment. (15)
4. Uniqueness and Frequency of Maintenance - Specialized skills and tools are needed. (5)

Total --50--

P. Power Systems

1. Equipment Service Availability and Reliability - Without power, the rail cars will not run. We can ill afford to wait for a contractor to respond. (10)
2. Safety (15)
   a) Trains - without proper electrical control, accidents can occur.
   b) Wayside - Personnel must be trained and certified and vendors may be unwilling to maintain certified employees.
   c) Passenger and Personnel - Lack of power at a station may compromise passenger as well as personnel safety.
3. Contract Administration and Scope - Contract could be scoped but administration would be difficult and safety certification would have to be maintained. Power is vital to system operation. (10)
4. Uniqueness and Frequency of Maintenance - maintenance is frequent and repetitive. (0)

Total --35--

Q. Software - Reports, User Modifiable Tables, etc.

1. Equipment Service Availability and Reliability Contracting could have a significant effect as data needed in the forms of reports to correct system

problems must be timely. There could be significant delays if definition problems develcped with the contractors. (0)

2. Safety - (30)
   a) Trains - No impact.
   b) Wayside - No impact.
   c) Passenger and Personnel - No impact.
3. Contract Administration and Scope - Nearly impossible to administer and scope this properly as the needs of the users constantly change. (0)
4. Uniqueness and Frequency of Maintenance - Tables and user reports will be constantly modified. (0)

Total --30--

R. Signaling Systems
1. Equipment Service Availability and Reliability - Extra unscheduled labor requirements and delays in repair will cause service to be compromised. (5)
2. Safety (5)
   a) Trains - Train safety is compromised to the degree that signals are not working.
   b) Wayside - Personnel to visit wayside locations will need certification and constant review of safety requirements. Vendors may be unwilling the comply with these requirements.
   c) Passenger and Personnel - Faulty signals and/or delays in their repair have a negative impact on both passenger and personnel safety.
3. Contract Administration and Scope - Defining the system components and securing the necessary response time will be very difficult. (10)
4. Uniqueness and Frequency of Maintenance - Signal maintenance is likely to be repetitive and frequent. (5)

Total --25--

S. Control Center Systems and Equipment
1. Equipment Service Availability and Reliability - Control will provide headways and service availability unattainable with manual control. Loss of control systems may cause degraded operations. (5)
2. Safety (5)
   a) Trains - without control center systems, trains will have to go back to manual operation.
   b) Wayside - Without proper computer control, there is a reduced visibility of system status.
   c) Passenger and Personnel - Without proper computer control, there is reduced visibility of systems status.
3. Contract Administration and Scope - Contracts can be scoped and administered. Timeliness or repair efforts of vendors are usually not satisfactory. (10)

4. Uniqueness and Frequency of Maintenance - Some systemsare reliable and infrequent to repair. However, this is mitigated by the necessity for independence from the manufacturer of the control equipment. (5)

Total --25--

T. Cable Transmission System (Fiber Optics and Multiplex)

1. Equipment Service Availability and Reliability - CTS operations will be critical. Delays and/or problem definition and resolution created by contracting would have a negative impact. (10)
2. Safety - (0)
   a) Trains - see c)
   b) Wayside - see c)
   c) Passenger and Personnel - Safety is a prime consideration on the cable transmission system. System outages could impact each area.
3. Contract Administration and Scope - it may be difficult to scope where CTS responsibility ends and the system responsibility begins. Administering a contract like this could be unworkable. (5)
4. Uniqueness and Frequency of Maintenance - While CTS will probably be very reliable, minor repairs are likely to be frequent. (5)

Total --20--

EXHIBIT E: MAINTENANCE STANDARDS AND WARRANTY REQUIREMENTS

Maintenance of all rail vehicles, wayside equipment, wayside facilities, maintenance vehicles, shop equipment, tools and test equipment and other facilities and assets associated with the Metro Blue Line shall be maintained in accordance with Section 8 of the Agreement and the following standards:

1. Facilities, equipment and other assets shall be maintained in a safe, reliable, clean and orderly manner and shall be inspected by the owner.

2. Facilities, equipment and other assets shall be maintained in compliance with state and federal regulations and/or standards.

3. Maintenance shall be performed in accordance with the designated preventive maintenance programs and cleaning and inspection schedules approved by the LACTC in writing.

4. Preventive maintenance programs shall be based upon manufacturers' recommendations and industry standards and shall be performed in accordance with manufacturer instructions, manuals and training in order to preserve warranty requirements as approved by the LACTC in writing.

5. Repair of facilities, equipment and other assets will be completed within a reasonable period of time.

6. Methods and procedures shall be implemented by the SCRTD to ensure adequate and timely record keeping with respect to maintenance schedules, warranty claims, failure reporting, configuration tracking, service contracts, inventory and material control and other relevant maintenance information as approved by the LACTC in writing.

7. Maintenance activities required on or about the main line during revenue operating hours shall be accomplished with minimum impact upon train operations.

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EXHIBIT F: THIRD PARTY AGREEMENTS

Incorporated by reference are the following agreements:

1. Upon execution of the Operations and Maintenance Agreements for the Metro Blue Line by and between (i) the County of Los Angeles and the SCRTD, (ii) the City of Los Angeles and the SCRTD, and (iii) the City of Long Beach and the SCRTD, each such agreement shall become part of this Exhibit F.

2. District County Law Enforcement Services Agreement for Blue Line Security Services by and between the Los Angeles County Sheriff's Department and the SCRTD, approved by the SCRTD on June 14, 1990

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