

THIS PRINT COVERS CALENDAR ITEM NO. : 13

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Transit Services

BRIEF DESCRIPTION:

Requesting authorization for the Director of Transportation to execute Contract No. SFMTA-2014-01 with New Flyer of America Inc., to purchase 50 40-foot low floor diesel-hybrid buses and related tools, training and spare parts through the Cooperative Purchasing Agreement established by the State of Minnesota's Materials Management Division, in an amount not to exceed \$38,348,847, and for a term not to exceed six years.

SUMMARY:

- In 2012, the State of Minnesota (Minnesota) issued a request for proposals (RFP) for 2013-14 Model Year transit buses, including heavy duty (Class 700) low floor diesel hybrid coaches (Buses), on behalf of the members of the Minnesota Cooperative Purchasing Venture (CPV) (the Minnesota Procurement). The Minnesota Procurement complied with the third party procurement requirements of the Federal Transit Administration.
- New Flyer of America ("New Flyer") submitted a proposal in response to the Minnesota Procurement that was opened on December 23, 2012. Minnesota accepted the proposal and issued Notification of Contract Award to New Flyer on or about February 18, 2013.
- SFMTA is a member of the Minnesota CPV, and is eligible to purchase buses through the Minnesota CPV contract.
- In 2012, SFMTA awarded a contract through the CPV to New Flyer for the purchase of 45 diesel hybrid buses to replace the existing NABI fleet. This contract was amended to include 17 additional buses to replace the existing 1993 Gillig buses.
- SFMTA staff has negotiated an agreement with New Flyer to purchase 50 low floor diesel hybrid coaches and related tools, training and spare parts to replace 50 Neoplan diesel buses that have reached the end of their useful life.
- The project funding is provided by the Federal Transit Administration, with local matching sales tax funds through Proposition K.
- Staff recommends that the SFMTA Board of Directors authorize the award of a contract with New Flyer for a total amount not to exceed \$38,348,847 and a term not to exceed six years.

ENCLOSURES:

1. SFMTA Board Resolution
2. Contract between SFMTA and New Flyer of America Inc.

APPROVALS:

DIRECTOR _____ 10/07/13

SECRETARY _____ 10/07/13

ASSIGNED SFMTAB CALENDAR DATE: October 15, 2013

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PURPOSE:

The purpose of this calendar item is to request authorization for the Director of Transportation to execute Contract No. SFMTA-2014-01 (Procurement of 50 Heavy Duty Low Floor Diesel Hybrid Coaches) with New Flyer of America, Inc.

GOAL:

Procuring the additional vehicles will allow the SFMTA to replace 50 of its 2000/2001 Neoplan diesel buses which have reached the end of their useful life of 12 years in order to improve service reliability, and meet the following goals and objectives of the SFMTA's Strategic Plan:

Goal 2: Make transit, walking, bicycling, taxi, ridesharing and carsharing the preferred means of travel

Objective No. 2.2: Improve transit performance

Goal 3 – Improve the environment and quality of life in San Francisco

Objective No. 3.1: Reduce the Agency's and the transportation system's resource consumption, emissions, waste and noise

DESCRIPTION:

A portion of SFMTA's revenue fleet consists of 204 standard diesel buses that were manufactured by Neoplan USA Corporation. These buses were placed into service between August 2000 and January 2003. Based on these in-service dates, a number of these buses have reached or exceeded their useful service life of 12 years. The 50 buses that will be purchased under this contract will replace the Neoplan buses that have reached or exceeded their useful service life.

SFMTA intends to purchase these buses through the Minnesota Cooperative Purchasing Venture (CPV). Under Section 21.16 of the San Francisco Administrative Code, the SFMTA may utilize the competitive procurement process of other public agencies to make purchases of commodities under the terms established in that agency's procurement process and as agreed upon by the City and the procuring agency, upon making a determination that the other agency's procurement process was competitive and the use of the other agency's procurement process would be in the City's best interests.

The State of Minnesota, through its Materials Management Division (MMD), established the Cooperative Purchasing Venture (CPV) to allow other eligible entities such as the SFMTA to purchase goods, certain services and utilities from contracts established by the MMD for Minnesota state agencies. In 2011, the State of Minnesota issued a request for proposals for 2012-13 model year transit buses, including heavy duty (Class 700) low floor diesel hybrid coaches, on behalf of the members of the Minnesota CPV and awarded a contract to New Flyer of America ("New Flyer"). On March 6, 2012, the SFMTA Board adopted Resolution No. 12-029, which authorized the SFMTA to join the CPV, and on October 23, 2012 the SFMTA

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awarded Contract No. 2013-08 to New Flyer, to purchase 45 40-foot diesel hybrid buses to replace the existing NABI bus fleet. This contract was subsequently amended to increase the number of buses purchased to 62 in order to replace 17 Gillig buses in use since 1993.

The SFMTA has received all of the 62 buses under Contract No. 2013-08. Recently, SFMTA was informed by New Flyer that they have a break in their production line and can insert the production of the additional 50 buses into the production line immediately. A continuous production run will be advantageous for the SFMTA because:

1. The workers manufacturing the buses will be more familiar with the bus build, which should result in improved quality and efficiency.
2. The SFMTA will receive the buses sooner since the Agency will not have to wait for a subsequent break in New Flyer's production run before starting to manufacture the buses.

The Minnesota CPV is the most cost-effective and expeditious way for the SFMTA to purchase these vehicles because the Agency can use the existing contracting mechanism available through the CPV. Although the FTA no longer allows cooperative purchasing agreements with out of state agencies such as the CPV, SFMTA's procurement has been "grandfathered" by the FTA; thus, this transaction presents SFMTA's last opportunity to procure vehicles through the CPV using FTA funds.

ALTERNATIVES CONSIDERED:

Staff did not consider other alternatives to purchasing the 50 coaches because the Agency has been successful in purchasing vehicles through the Minnesota CPV.

FUNDING PLAN AND IMPACT:

The estimated budget for the 50 bus procurement project is \$44,463,740. The contract amount with the manufacturer is \$38,348,847. The contract amount includes the cost of the vehicles, contract spares, training, manuals and additional equipment such as signal priority, video and Digital Voice Annunciation System (DVAS) wayside equipment.

Funding for the 50 vehicles has been identified and will come from a combination of federal and local funds. The following is a breakdown of the project budget and funding sources for the initial 50 vehicles:

Total Project Budget

Category	Cost
New Flyer Contract Total	
Vehicles (50 @ \$689,686.32)	\$34,484,316
Tools & Diagnostics	\$130,015
Training	\$76,998
Signal Priority, Video and DVAS Wayside Infrastructure	\$1,357,518
Allowance for Spare Parts	\$2,300,000
Subtotal New Flyer Contract	\$38,348,847
Other Associated Costs	
Tax (8.75%)	\$3,348,787
Warranty support	\$230,000
Project support (SFMTA staff, ODC)	\$1,936,106
Vehicle Inspection at Plant (FTA Required)	\$600,000
Subtotal Other Associated Costs	\$6,114,893
Total Cost	\$44,463,740

Financial Plan

Project Funding Source	Amount
Federal Grant (5307)	\$28,467,700
Proposition K	\$15,996,040
Total Funding	\$44,463,740

OTHER APPROVAL RECEIVED OR STILL REQUIRED:

The City Attorney's Office has reviewed this calendar item.

The agreement with New Flyer will also require approval from the Board of Supervisors.

RECOMMENDATIONS:

Staff recommends that the SFMTA Board authorize the Director of Transportation to execute Contract No. SFMTA-2014-01 with New Flyer, for the purchase of 50 diesel electric hybrid coaches, for an amount not to exceed \$38,348,847 and a term not to exceed six years.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Under Section 21.16 of the San Francisco Administrative Code, the SFMTA may utilize the competitive procurement process of any other public agency to make purchases of commodities under the terms established in that agency's procurement process and as agreed upon by the City and the procuring agency, upon making a determination that the other agency's procurement process was competitive and the use of the other agency's procurement process would be in the City's best interests; and

WHEREAS, The State of Minnesota, through its Materials Management Division (MMD), established the Cooperative Purchasing Venture (CPV) to allow other eligible entities such as the SFMTA, to purchase goods, certain services and utilities from contracts established by the MMD for Minnesota state agencies; and

WHEREAS, In 2011, the State of Minnesota issued a competitive request for proposals for 2012-13 model year transit buses, including heavy duty (Class 700) low floor diesel hybrid coaches, on behalf of the members of the Minnesota CPV, awarding a contract to New Flyer of America ("New Flyer") on or about February 3, 2012; and

WHEREAS, On March 6, 2012, the San Francisco Municipal Transportation Agency (SFMTA) Board of Director adopted Resolution No. 12-029, which authorized the SFMTA to join the Minnesota CPV; and

WHEREAS, under the CPV, on October 23, 2012, the SFMTA awarded Contract No. 2013-08 to New Flyer of America to purchase 40-ft diesel hybrid buses to replace the SFMTA's existing NABI bus fleet, which have reached the end of their useful life; and

WHEREAS, In 2012, the State of Minnesota issued a competitive request for proposal for 2013-14 model year transit buses, including heavy duty (Class 700) low floor diesel hybrid coaches, on behalf of the members of the Minnesota CPV (the Minnesota Procurement); the Minnesota Procurement complied with the third party procurement requirements of the Federal Transit Administration; and

WHEREAS, New Flyer submitted a proposal in response to the Minnesota Procurement that was opened on December 23, 2012; and

WHEREAS, Minnesota accepted the proposal and issued Notification of Contract Award to New Flyer on or about February 18, 2013; and

WHEREAS, SFMTA staff recommends using the CPV to purchase 50 40-foot low floor diesel-hybrid buses from New Flyer to replace 50 of SFMTA's buses originally manufactured by Neoplan USA Corporation that have reached or exceeded their useful service life of 12 years, having been placed into service starting in August, 2000; and

WHEREAS, New Flyer has capacity at its production facility to start manufacturing the 50 buses immediately; and

WHEREAS, SFMTA staff has negotiated an agreement with New Flyer for the purchase of 50 40-foot low floor diesel-hybrid buses and related tools, training and spare parts; now, therefore be it

RESOLVED, That the SFMTA Board of Directors finds that it is in the best interests of the City that the SFMTA procure 50 40-foot low floor diesel hybrid buses from New Flyer of America Inc. through the Minnesota Cooperative Purchasing Venture; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute Contract No. SFMTA-2014-01 with New Flyer of America Inc., to purchase 50 40-foot low floor diesel-hybrid buses, for an amount not to exceed \$38,348,847 and a term not exceed six years; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors commends Contract No. SFMTA-2014-01 to the Board of Supervisors for its review and approval.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at its meeting of October 15, 2013.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Agreement between
the City and County of San Francisco
and
New Flyer of America Inc.
for the Procurement of 50 Heavy Duty Low Floor Diesel Hybrid Coaches
through the Minnesota Cooperative Purchasing Venture

Contract No. SFMTA-2014-01
CCO No. 13-1275
Minnesota Contract No. 56191

This Agreement is made this _____ day of _____, 2013, in the City and County of San Francisco, State of California, by and between: New Flyer of America Inc., a North Dakota corporation, 711 Kernaghan Avenue, Winnipeg, Manitoba, Canada R2C 3T4 (Contractor or New Flyer), and the City and County of San Francisco, a municipal corporation (City), acting by and through its San Francisco Municipal Transportation Agency (SFMTA).

Recitals

A. On or about October 5, 2012, the State of Minnesota (Minnesota) issued a request for proposal (RFP) for 2013-14 Model Year transit buses, including heavy duty (Class 700) low floor diesel hybrid coaches (Buses), on behalf of the members of the Minnesota Cooperative Purchasing Venture (CPV) (the Minnesota Procurement). The Minnesota Procurement contained the third party procurement provisions required by the Federal Transit Administration.

B. New Flyer submitted a proposal in response to the Minnesota Procurement that was opened on November 14, 2012. On or about December 21, 2012, Minnesota accepted the proposal and issued Notification of Contract Award to New Flyer, effective on January 1, 2013.

C. On or about March 7, 2012, the SFMTA entered into an agreement with Minnesota to become a member of the CPV.

D. Under the authority of Administrative Code Section 21.16, SFMTA now wishes to acquire 50 Buses from New Flyer under the terms and conditions contained in the Minnesota Procurement, as amended by the provisions of this Agreement.

E. CITY has requested various specification changes for the buses, and has negotiated with Contractor price increases for these items, as appropriate. Contractor has also agreed to additional terms and conditions as consideration for this Agreement.

1. Minnesota Procurement Terms and Conditions; Priority of Documents. The terms and conditions of the Minnesota Procurement, including the Notification of Contract Award,

accepted December 21, 2012, and the Contract Release, dated February 18, 2013, are incorporated by reference as though fully set forth. Generally, any obligation of or accruing to Minnesota, shall be deemed to be an obligation of, or accruing to, City. However, the following terms and conditions, which arise from Minnesota state or local law and are applicable solely to Minnesota and Minnesota agencies are not incorporated: Sections 7, 14, 15, 16, 18, 19, 22, 24, 25, 33, 47, 49, 52, 54, 56, 57, 58, 59, 60, 62 and 74. In all other terms and conditions, references to "State" shall refer to "California" if the reference is to state law, or to "City," if the reference is to actions of Minnesota as a contracting agency. Further, references to the Department of Administration's Materials Management Division or Communication Office shall refer to the SFMTA, and references to an employee or official of that agency shall refer to the SFMTA project manager. The following documents, in order of preference, constitute the entire Contract between Contractor and the City:

- This Agreement and any subsequent amendments to the Agreement.
- The Minnesota Notification of Contract Award
- The Minnesota Procurement and Contract Release.
- The Contractor's Proposal to Minnesota, including all deviations to the Technical Specifications.

In the event of any conflict in language among the above documents the terms and conditions of this Agreement and any later executed documents shall prevail over conflicting terms and conditions contained in the earlier documents, in their original form or as amended.

2. Agreement. Under this Agreement, Contractor agrees to sell, and the City agrees to purchase, 50 new Standard Low Floor Hybrid Diesel Buses, associated spare parts, and training as itemized in Exhibits A, A-1, A-2 and B, according to the terms and conditions set forth in this Agreement. Exhibit B sets forth the changes from the Contractor's Proposal to Minnesota and the respective price differentials of those changes.

3. Insurance (superseding Section 14 and Appendix 2 of the Minnesota Procurement)

3.1. The Contractor shall maintain, at its own expense, throughout the term of this Agreement, insurance as follows:

(a) Workers' Compensation, including Employers' Liability coverage, with limits not less than \$1,000,000 each accident, or as required by law in the jurisdiction in which the work is performed.

(b) Comprehensive or Commercial General Liability insurance with limits not less than \$5,000,000 each occurrence combined single limit of Bodily Injury and Property Damage, including coverage's for Contractual Liability, Independent Contractor, Broad-form Property Damage, Products and Completed Operations.

(c) Comprehensive or Business Automobile (Transit Coach, Truck, and other vehicles included) Liability Insurance, with limits not less than \$5,000,000 each occurrence combined single limit for Bodily Injury and Property Damage, including coverage's for owned, non-owned, and hired vehicles, as applicable.

(d) During the course of this Agreement, should any vehicles already accepted by City and in which title is vested in the City, be returned to Contractor for any reason, Contractor shall maintain, with respect to such vehicles, Garagekeepers' Legal Liability Insurance with limits

not less than 100 percent of the value of City vehicles and equipment in Contractor's care, custody, or control, including coverage's for fire, theft, riot and civil commotion, vandalism or malicious mischief, and collision; all-risk transportation insurance for the full value of all City-owned coaches in transit between Contractor and City premises; and any loss payable to the City as its interest may appear.

3.2. Comprehensive or Commercial General Liability and Comprehensive or Business Automobile policies shall be endorsed to provide the following:

(a) Name as Additional insured's the City and County of San Francisco, its Officers, Agents, Employees and Members of the Commissions;

(b) That such policies are primary to any other insurance available to the Additional Insured's, with respect to any claims arising out of this Agreement, and that such insurance applies separately to each insured against whom claim is made or suit is brought and that such coverage shall not exceed policy limits.

3.3. All policies shall be endorsed to provide: Thirty (30) days advance written notice to City will be provided if coverage is materially reduced or altered, and mailed to the following address:

City and County of San Francisco
Gary Chang, P.E.
Project Manager
Contract No. SFMTA-2013-08
Fleet Engineering Section
700 Pennsylvania Ave.
San Francisco, CA 94107

Before commencement of the term of this Contract, certificates of insurance, and copies of additional insurance endorsements, in form and with insurers acceptable to City, evidencing all required insurance, shall be furnished with complete copies of policies to City promptly upon request.

3.4. Should any of the required insurance be provided under a claims-made form, the Contractor shall maintain such coverage continuously throughout the term of this Contract and, without lapse, for a period of three years beyond the Contract expiration, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Contract, such claims shall be covered by such claims-made policies.

3.5. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence limits specified above.

3.6. Should any required insurance lapse during the contract term, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Contract, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

4. Bonds

4.1. The Contractor shall maintain at its own expense, and furnish to City, corporate surety bonds, as follows:

(a) Performance Bond. Within 20 days following the receipt of a notice of tentative award of contract, the Contractor shall furnish to City a performance bond in the amount of 20 percent of the total contract amount, to guarantee Contractor's faithful performance of all obligations of the contract. Upon delivery and acceptance by the City of 50 percent of the original contracted number of vehicles, the amount of the performance bond may be reduced to 65 percent of the original bond amount. Upon delivery and acceptance by the City of 75 percent of the original contracted number of vehicles, the amount of the performance bond may be reduced to 30 percent of the original bond amount. If the Contractor requests any further reduction in the amount of the performance bond, the request shall be subject to approval by SFMTA and the City's Risk Manager. One year after the City fully accepts the last bus, the City will release the obligations of the surety under the performance bond, provided that all contract deliverables have been performed and accepted and, if the City has so elected, a warranty bond meeting the requirements of Subsection 4.1(b) is in place. The original bond document(s) shall be retained by the City.

(b) Warranty Bond; Extension Option. Contractor shall provide a two-year warranty or guaranty bond in the amount of 10 percent of the Contract price covering all of Contractor's warranty obligations under the Contract, which bond shall become effective upon release of the Performance Bond required under Subsection 4.1(a) above. At the end of the first year of warranty coverage, the Contractor may request a reduction of coverage, which may be approved at the discretion of SFMTA and the City's Risk Manager. Additionally, at City's election, and subject to approval of the surety issuing the bond, Contractor shall provide for up to two one-year extensions or renewals of the warranty or guaranty bond at an amount approved by SFMTA and the City's Risk Manager. If the original surety declines to extend or renew the initial bond, Contractor shall in good faith try to obtain the required additional coverage from another surety and shall document to the City its efforts in this regard.

4.2. The corporate surety on these bonds must be legally authorized to engage in the business of furnishing surety bonds in the State of California. All sureties, bond coverage forms, and requests for changes to the bonding requirements must be approved by the City's Risk Manager.

4.3. During the period covered by the Contract, if the surety on these bonds shall, in the opinion of the City's Risk Manager, become insolvent or unable to pay promptly the amount of such bonds to the extent to which surety might be liable, the Contractor, within 30 days after notice given by the City to the Contractor, shall by supplemental bonds or otherwise substitute another and sufficient surety approved by the Risk Manager in place of the surety becoming insolvent or unable to pay. If the Contractor fails within such 30 day period to substitute another and sufficient surety, the Contractor shall, if the City so elects, be deemed to be in default in the performance of its obligations hereunder, and the City, in addition to any and all other remedies, may terminate the Contract or bring any proper suit or proceeding against the Contractor and the surety, or may deduct from any monies then due or which thereafter may become due to Contractor under the Contract the amount for which the surety, insolvent or unable to pay as aforesaid, is obligated on the bonds, and the monies so deducted shall be held by the City as collateral security for the performance of the conditions of the bonds.

4.4. In lieu of a surety bond as required above, Contractor may elect to furnish the City with a letter of credit in conformance with the requirements of Section 5.

5. Letter of Credit

5.1. Any and all letters of credit issued pursuant to this Agreement shall be obtained from a national or California bank with at least a Moody's A rating and having at least one branch office within the City and County of San Francisco. The letter of credit shall be a confirmed, clean irrevocable letter of credit in favor of the City and County of San Francisco, a municipal corporation. The letter of credit shall have an original term of one year, with automatic extensions of the principal amount throughout the term of the contract, or until released by the City. The letter of credit shall provide that payment of the entire face amount of the letter of credit, or any portion thereof, shall be made to the City and County of San Francisco, upon presentation of a written demand to the bank signed by the General Manager on behalf of the City and County of San Francisco. The letter of credit shall constitute a security deposit guaranteeing all progress payments for which the letter of credit is issued.

5.2. If Contractor defaults with respect to any provision of this Agreement, City may, but shall not be required to, make its demand under the letter of credit for all or any portion thereof to compensate City for any loss of progress payments, which City may have incurred by reason of Contractor's default. City shall present its written demand to the bank for payment under the letter of credit only after City shall have made its demand for payment directly to Contractor, and five full business days have elapsed without Contractor having made payment to City or otherwise cured the default. City need not terminate this Agreement in order to receive compensation for its damages. If any portion of a letter of credit is so used or applied, Contractor, within 10 business days after written demand therefore, shall reinstate the letter of credit to its original amount; Contractor's failure to do so shall be a material breach of this Agreement.

5.3. Any letter of credit issued hereunder shall provide for 60 days notice by the bank to City in the event of non-extension of the letter of credit; in that event, Contractor shall replace the letter of credit at least 10 business days prior to its expiration. If Contractor fails to do so, City shall be entitled to present its written demand for payment of the entire face amount of the letter of credit. Any amounts so received by City shall be returned to Contractor upon replacement of the letter of credit.

5.4. If City receives any payments from the aforementioned bank under the letter of credit by reason of having made a wrongful or excessive demand for payment, City shall return to Contractor the amount by which City's total receipts from Contractor and from the bank under the letter of credit exceeds the amount to which City rightfully is entitled, together with interest thereon at the legal rate of interest, but City shall not otherwise be liable to Contractor for any damages or penalties.

6. Compensation; Payment

6.1. Amount. The City agrees to pay an amount not to exceed Thirty-Eight Million, Three Hundred Forty-Eight Thousand, Eight Hundred Forty-Seven Dollars (\$38,348,847) (Total Contract Amount), as summarized in Exhibit A (Price Schedule), and in accordance with the terms and conditions of this Agreement. The parties will amend this Agreement to include a final list of spare parts to be supplied under the Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement and has not remedied such default within a reasonable period of time. In no event shall City be liable for interest or late charges for any late payments.

6.2. Invoices. Contractor shall submit its invoices to the following address:

San Francisco Municipal Transportation Agency
Fleet Engineering Section
Attn: Gary Chang, P.E.
Project Manager
700 Pennsylvania Avenue
San Francisco, CA 94107

Each invoice shall include:

- Relevant milestones
- Contract order number;
- Quantity of items;
- Description of items;
- Unit price;
- Total invoice amount;
- Sales Tax (separately itemized)

6.3. Payment Terms.

(a) All payments shall be made as provided herein, less a retention of 2%.

(b) Subject to the provisions of Section 11.1, the City will make payments for buses at 98 percent of the unit price for each bus as itemized in the Price Schedule within 30 calendar days after acceptance of each bus and receipt of a proper invoice.

(c) The City will make payments for spare parts within 30 calendar days after completion of delivery of, and receipt of a proper invoice for, each lot of spare parts, as provided in Section 9.3.

(d) The City will make payments for special tools within 30 days after delivery and receipt of a proper invoice for each delivery of special tools.

(e) The City will make an advance payment for the Cummins engines no later than December 1, 2012, subject to receipt of FTA approval.

(f) The City will make a final payment for all retained funds within 60 calendar days after receipt of a final proper invoice and completion of all of the following:

(i) Delivery and acceptance of all Contract deliverables, including spare parts, special tools, manuals and other documentation, but not including training.

(ii) Receipt from Contractor of all certifications as required by law and/or regulations.

(iii) Completion of post-delivery audits required under the Contract.

7. Budget And Fiscal Provisions; Termination In The Event Of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without

penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THE AGREEMENT.

8. Miscellaneous Provisions

8.1. City Business Tax. The San Francisco Business Tax Ordinance requires that firms located in San Francisco or doing business in San Francisco, except for non-profit and tax-exempt businesses, have a current Business Tax Registration Certificate. Contractor shall maintain said Certificate throughout the term of this Contract and pay timely any and all business taxes due to the City.

8.2. Disputes. For any dispute involving a question of fact that does not involve a claim for additional compensation, the aggrieved party shall furnish the other party with a notice of dispute within 15 business days of the determination of the dispute. The party receiving a notice of dispute shall submit a written reply within 14 business days of delivery of the notice. The notice and response shall contain the following: (a) a statement of the party's position and a summary of the arguments supporting that position, and (b) any evidence supporting the party's position.

Disputes arising in the performance of this Agreement which are not resolved by negotiation between the parties shall be decided in writing by the City's Project Manager. The Project Manager's decision shall be administratively final and conclusive unless within 10 days from the date of such decision, the Contractor mails or otherwise furnishes a written appeal to the Director of Transit, or his/her designee. In connection with such an appeal, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position in order that a fair and impartial decision can be made by the Director. The decision of the Director shall be administratively final and conclusive; except if such decision is arbitrary, capricious or so erroneous as to evidence bad faith.

Pending final resolution of a properly filed dispute hereunder, the Contractor shall proceed diligently with the performance of its obligations under the Agreement in accordance with the written directions of the City's Project Manager.

Subject to exhaustion of applicable administrative remedies under this Disputes section, the parties may seek to have their disputes resolved by any court of competent jurisdiction within San Francisco. If agreed to by both parties, disputes may be resolved by a mutually agreed to alternative dispute resolution process.

8.3. Sunshine Ordinance. In accordance with S.F. Administrative Code Section 67.24(e), contractors' bids, responses to RFPs and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organizations net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

8.4. Nondiscrimination; Penalties

(a) Contractor Shall Not Discriminate. In the performance of this Agreement, Contractor agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Contractor, in any of Contractor's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Contractor.

(b) Non-Discrimination in Benefits. Contractor does not as of the date of this Agreement and will not during the terms of this Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in section 1, 4-B. of Appendix D for 12B Provisions, 12B.2(b) of the San Francisco Administrative Code.

(c) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as through fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to Section 12B.2(h) (see Appendix D) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

8.5. Conflict of Interest. Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

8.6. False Claims. Pursuant to San Francisco Administrative Code sections 6.80 to 6.83 and section 21.35, any contractor or subcontractor who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor or subcontractor who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A contractor or subcontractor will be deemed to have submitted a false claim to the City if the contractor or subcontractor: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to

conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

8.7. Disallowance. If Contractor claims or receives payment from City for a service, reimbursement for which is later disallowed by the State of California or United States Government, Contractor shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other Agreement.

8.8. Agreement Made in California; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

8.9. Non-Waiver of Rights The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

8.10. Independent Contractor; Payment of Taxes and Other Expenses

(a) Independent Contractor. Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

(b) Payment of Taxes and Other Expenses. Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

8.11. Time. Time is of the essence in this Agreement.

8.12. Compliance with Laws. Consultant shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

8.13. Intellectual Property Indemnification (superseding Section 59 of the Minnesota Procurement). Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

8.14. Proprietary or Confidential Information of City. Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information, which may be owned or controlled by City, and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

9. Delivery Schedule

9.1. General. Contractor shall comply with the Delivery Schedule attached as Exhibit C.

9.2. Coach Delivery Procedure. Delivery shall be determined by signed receipt of the SFMTA Project Manager Representative at the point of delivery and may be preceded by a cursory inspection of the coach. Delivery of the coaches shall be F.O.B. point of delivery, freight pre-paid and allowed. Contractor shall ensure that all coaches are fully operable when they are delivered. The point of delivery shall be:

Standard Hybrid-Electric Diesel Coaches
SFMTA Woods Maintenance Facility 1095 Indiana Street San Francisco, California 94107

Drivers shall keep a complete and accurate maintenance log en route, which shall be delivered to the SFMTA Project Manager with the coach. The log shall show the driver's

compliance with the tire manufacturer's highway operating procedures. If the coaches are towed, the rear axle shafts shall be removed during the towing and re-coupled by the Contractor after arrival at the point of delivery. Contractor shall deliver each coach with a full tank of fuel and fully cleaned (exterior, interior, underside, and topside) prior to presentation for inspection. If the coaches are towed from the Contractor's facility to SFMTA, highway-type tires shall be installed. Upon arrival at the SFMTA maintenance facility or within San Francisco, Contractor, at its expense, shall install city-type tires.

9.3. Spare Parts Delivery Procedure. Contractor shall divide delivery of spare parts into two lots, and a manifest shall accompany each delivery. Lot 1 shall be approximately 50 percent of the quantity of spare parts finally agreed to by the parties. Lot 2 shall be the remaining quantity of spare parts. At the SFMTA's option, the lots may be split into more than two deliveries. Delivery shall be determined by signed receipt of the SFMTA Project Manager at the point of delivery and may be preceded by a cursory inspection of the parts. Within 20 business days of delivery, City will notify Contractor whether there are any problems related to the delivery. The point of delivery shall be as stated above in Section 9.2, or as otherwise provided in writing by SFMTA. Delivery of spare parts shall be F.O.B. point of delivery, freight pre-paid and allowed.

9.4. Coach Delivery Schedule. The coaches and other items shall be delivered between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday. Contractor shall deliver a maximum of five coaches per week.

10. Project Planning, Scheduling and Control

10.1. Introduction. This Section specifies the requirements for project planning, scheduling and progress reporting to be performed by the Contractor in conjunction with the Contract work. Critical Path Method scheduling (CPM) shall be employed by the Contractor for planning, scheduling and reporting all work required by the Contract Documents.

10.2. Required Schedules.

(a) Baseline Schedule: The Baseline Schedule is the detailed schedule, in bar-chart format, prepared by the Contractor, indicating the Contractor's plan for executing the Contract work. Contractor shall develop the Baseline Schedule using Microsoft Project Software or approved equal. Contractor shall revise the Baseline Schedule as necessary to incorporate approved Contract modifications. The Contractor's performance or other avoidable delays shall not be considered justification for Baseline Schedule revision. The schedule documents, reports, lists, computer software with documentation and computer diskettes and e-mail files are required with each submittal. Contractor shall submit the Baseline Schedule as required in Exhibit C.

(b) Current Schedule: The Current Schedule is the updated logic network and supporting reports indicating actual progress to date and forecasted logic and progress for the remaining work. The update shall be, at a minimum, to the same level of detail as the Baseline Schedule.

(c) Supplemental Schedule(s): Supplemental Schedules are detailed schedules prepared by the Contractor, at the request of the SFMTA, to substantiate proposed Contractor changes that may have a schedule impact.

10.3. Modifications to the Schedule. When requested by the Engineer, the Contractor shall submit Supplemental Schedules to the Engineer to substantiate proposed Contract changes that may have an impact on the schedule. Contractor shall submit such schedules to the Engineer for review and approval within three working days from the request; otherwise, any proposed

Contract change will not be considered by the City. On approval of a Contract modification by the City, the approved change will be incorporated in the Baseline Schedule during the monthly update process.

11. Acceptance of Buses (supplementing Section 78.d of the Minnesota Procurement)

11.1. Conditional Acceptance. If a coach does not meet all requirements for final acceptance, SFMTA may, at its exclusive option, “conditionally accept” the bus and place it into revenue service, pending receipt of Contractor-furnished materials and/or labor necessary to effectuate corrective action for acceptance. For any conditionally accepted coach, the payment shall be reduced by an amount equal to three percent of the amount of the Bus, which amount shall be withheld and paid after corrective action by the Contractor and final acceptance by SFMTA.

11.2. Title. At the time the Bus is delivered, Contractor shall provide to the SFMTA Project Manager adequate documents for securing the title for the Bus in the State of California. Upon conditional acceptance of each coach, title to each coach shall pass to the City, which title Contractor warrants shall be free and clear of all liens, mortgages and encumbrances, financing statements, security agreements, claims, and demands of any character.

12. Taxes and Other Governmental Charges

The City agrees to pay sales taxes levied by the State of California on articles purchased by the City under this Agreement directly to the State. The City warrants that it is a public entity exempt from certain federal excise taxes and in connection therewith that it has obtained a federal excise tax exemption certificate. Contractor shall pay all other taxes, licenses, imposts, duties, and all other governmental charges of any type whatsoever.

13. Fleet Defects (superseding Section 4.1.6.1 of Contractor's Standard Warranty)

13.1. A fleet defect is defined as cumulative failures of any kind in the same components in the same or similar application where such items are covered by the warranty and such failures occur within the warranty period in at least 20 percent of all Buses delivered under this contract; provided, however, that components manufactured by the following companies shall not be subject to the fleet defect provisions unless a manufacturer agrees to honor the fleet defect provisions: Allison, Cummins, BAE, Thermo King. SFMTA shall have final approval of corrections or changes under these conditions.

13.2. The Contractor shall correct a fleet defect under the warranty provisions defined in its "Repair Procedures" (Section 4.12). Within 10 days of receipt of notification of a fleet defect, the Contractor shall provide SFMTA with a plan, acceptable to SFMTA, specifying how and when all coaches with defects shall be corrected. Said plan is subject to approval by SFMTA. In addition, after correcting such defects, the Contractor shall promptly undertake and complete a work program, acceptable to SFMTA, reasonably designed to prevent the occurrence of the same defect in all other coaches and spare parts purchased under this contract. Any proposed changes to a fleet defect work plan or program must be submitted to SFMTA for its approval.

14. Disadvantaged Business Enterprises (DBE) (superseding Section 74 of the Minnesota Procurement)

The Contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the

Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

15. Training

Contractor shall provide training to SFMTA employees as described in the attached Exhibit A-2. Training shall be scheduled as convenient to SFMTA and its employees. Unless SFMTA and Contractor otherwise agree to a training schedule, Contractor shall provide training within 30 days of receipt of notice from SFMTA for particular training.

16. Term

The term of the Agreement shall commence on the date the City's Controller certifies the availability of funds for this Agreement ("Effective Date") and shall expire six years thereafter unless earlier terminated as otherwise provided herein.

17. Notices. The address in Minnesota Procurement Section 32 is amended to read as follows:

San Francisco Municipal Transportation Agency
Fleet Engineering Section
Attn: Gary Chang, P.E.
Project Manager
700 Pennsylvania Avenue
San Francisco, CA 94107

18. Survivability. (superseding Section 47 of the Minnesota Procurement)

This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 3, 8.6, 8.7, 8.8, 8.10, 8.13, 8.14 and 12. In addition, Sections 6, 9, 35 and 37 of the Minnesota Procurement shall survive termination or expiration of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY

CONTRACTOR

San Francisco Municipal Transportation Agency

New Flyer of America Inc

Edward D. Reiskin
Director of Transportation

Paul Smith
EVP Sales and Marketing

Approved as to Form:

Dennis J. Herrera
City Attorney

Glenn Asham
CFO

By _____
David A. Greenburg
Deputy City Attorney

711 Kernaghan Avenue
Winnipeg, Manitoba, Canada R2C 3T4

San Francisco Municipal Transportation Agency
Board of Directors

City vendor number: 49642

Resolution No. _____

Dated: _____

Attest:

Secretary, SFMTA Board of Directors

Board of Supervisors
Resolution No. _____

Dated: _____

Attest:

Clerk of the Board

Exhibits:

- Exhibit A – Price Schedule
- Exhibit B – Proposal Changes
- Exhibit C – Delivery Schedule
- Exhibit D – Additional Equipment

EXHIBIT A

PRICE SCHEDULE

Item	Price per unit	Number of units	Total Price
XDE40 (ISB / BAE) Hybrid Coach	\$ 689,686.32	50	\$34,484,316
Signal Priority, Video and DVAS Wayside Infrastructure and other additional equipment, detailed in Exhibit D	\$1,357,518	1	\$1,357,518
Tooling & Diagnostics	See Exhibit A-1	See Exhibit A-1	\$130,015
Training	See Exhibit A-2	See Exhibit A-2	\$76,998
Allowance for Spare Parts	Lump sum	TBD	\$2,300,000
Contract Total			\$38,348,847

EXHIBIT A-1**SPECIAL TOOLS**

New Flyer Part #	Description	Category	Bid Qty	Unit	Total Unit Selling Price	Total Ext. Selling Price
122321	Twin Vision Elyses Software	Destination Sign - Twin Vision	1	Each	\$1,175.76	\$1,175.76
128951	6 to 9 pin adapter	ABS - Meritor Wabco	2	Each	\$143.29	\$716.46
6360894	USB Key	Destination Sign - Twin Vision	1	Each	\$70.55	\$70.55
6408310	Repair Kit - Disc Brakes & Calipers	Disc Brakes - MAN	1	Each	\$2,879.42	\$5,758.84
6358421	Vapor Class System Diagnostic Interface Kit	Exit Doors - Vapor Class	2	Each	\$97.07	\$485.36
6360381	Alignment Tool - Flex Connector	Engine - Cummins	2	Each	\$649.61	\$1,299.21
6393934	Intelligaire III Diagnostic Software & Cables	HVAC - TK	5	Each	\$1,324.05	\$6,620.25
108658	Panasonic CF31 Laptop	Laptop PC	5	Each	\$5,790.20	\$28,951.00
159687	Vansco Software (Download from Net)	PLC - Vansco	5	Each	\$0.00	\$0.00
6314711	Torque Multiplier	Axles - MAN	2	Each	\$1,451.69	\$2,903.39
6351820	DLA Adapter Kit	PLC - Vansco	5	Each	\$534.97	\$2,674.85
6399628	BAE IDS Software	Hybrid Propulsion - BAE	5	Each	\$2,939.40	\$14,697.00
6399629	KVASER Interface	Hybrid Propulsion - BAE	5	Each	\$947.96	\$4,739.82
6400474	BAE Overhaul Tool Kit	Hybrid Propulsion - BAE	1	Each	\$35,102.40	\$35,102.40

New Flyer Part #	Description	Category	Bid Qty	Unit	Total Unit Selling Price	Total Ext. Selling Price
6408307	ABS Sensor R&R Kit - MAN HY-1336 RR Axle	Axles - MAN	2	Each	\$784.29	\$1,568.59
6408311	Hub Repair Kit - MAN VOK-07 Frt Axle	Axles - MAN	2	Each	\$11,625.80	\$23,251.59
Total (drop decimal for final price schedule)						\$130,015.07

EXHIBIT A-2**TRAINING**

Description	Spare ID	Bid Qty	Unit	Total Unit Selling Price	Total Ext. Selling Price
Operator Orientation - Training	9.1	32	Hour	\$234.90	\$7,516.80
Maintenance Orientation - Training	9.1	24	Hour	\$234.90	\$5,637.60
Doors - Training	9.1	32	Hour	\$234.90	\$7,516.80
Wheelchair Ramp - Training	9.1	32	Hour	\$234.90	\$7,516.80
Air System & ABS Brakes - Training	9.1	32	Hour	\$234.90	\$7,516.80
Steering & Suspension - Training	9.1	12	Hour	\$234.90	\$2,818.80
Preventive Maintenance - Training	9.1	0	Hour	\$234.90	\$0.00
A/C System Maintenance & Diagnostics - Training	9.1	0	Hour	\$337.50	\$0.00
Exit Doors Training Aid - Mock-ups	9.1.2	1	Each	\$38,475.00	\$38,475.00
Dest. Sign Maintenance & Diagnostics - Training	9.1	16	Hour	\$0.00	\$0.00
Total (drop decimal for final price schedule)					\$76,998.60

EXHIBIT B - Proposal Changes from Base Bus Price

Base Bus Price Change for B.A.E Propulsion System

Reference No.	Option No.	Option Group	Description	Total
1	420	Body A/P Before Paint	Add Docket 90 per 1-12	\$ 632.20
2	205	Tires	Add E-strokes per 5-3	\$ 2,519.00
3	205	Tires	Change to customer supplied LEASED tires, to be furnished by contractor per 5-7	\$ (2,861.04)
4	219	Engine	Add engine probalizer per 6-3	\$ 58.06
5	246	Air, Brake & Lev System	Change air dryer to Graham White QBA60 per 5-5	\$ 875.11
6	246	Air, Brake & Lev System	Add Automatic traction control per 5-3	\$ 211.53
7	260	Battery Compartment	Change batteries to 8D (AGM/Deka) East Penn, 1350 CCA batteries.	\$ 150.88
8	260	Battery Compartment	Add Anderson jumpstart per 7-4. Added Below	\$ -
9	277	Interior Lighting	Change passenger lights to Docket 90 per 3-4	\$ 1,337.00
10	280	Passenger Signal	Change passenger signals at wheelchair positions to pushbuttons per 3-9.	\$ 1.80
11	280	Passenger Signal	Add pushbuttons on all vertical stanchions per 3-9	\$ 146.76
12	350	Drivers Control	Add hill holder switch per 4-6 and 5-4	\$ 14.23
13	304	Paint & Decal	Change paint to Silver with Red Decals and Anti Graffiti Clearcoat per 2-3 and attachment.	\$ 7,250.40

Reference No.	Option No.	Option Group	Description	Total
14	422	Body A/P After Paint	Remove rollerblind per California Vehicle Code, Section 26708. Note, NF can't install sun visor due to sawtooth per 4-9.	\$ (73.88)
15	423	Advertising Frames	Add two interior ad frames 17" x 11" per 3-22	\$ 25.16
16	450	Flooring A/P	Change flooring to composite per 2-7	\$ 1,112.53
17	450	Flooring A/P	Change floor covering to Altro D25-421 "Midnight" per 2-7. Color Change only from base bus. No cost impact	\$ -
18	460	Windows	Change windows to include window protection sheet (specific glazing), scratch resistant per 3-1 and attachment	\$ 2,115.63
19	600	Customer Options	Add Sportworks with indicator light per 2-3	\$ 887.13
20	600	Customer Options	Add Motorola Radio system per 3-17. Provisions only	\$ 645.37
21	600	Customer Options	Add dash panel rack (2 compartments) per 3-22	\$ 105.34
22	600	Customer Options	Add Emergency Warning light system (activated when silent alarm is tripped) per sec 3-22	\$ 165.31
23	600	Customer Options	Add S1 guard per 3-23	\$ 2,028.57
24	600	Customer Options	Add NEXTBUS system per 3-23	\$ 2,298.40
25	600	Customer Options	Add trash receptacle per 4-9	\$ 11.16
26	600	Customer Options	Add storage locker behind operator seat per 4-10	\$ 86.66
27	600	Customer Options	Add Fleet management	\$ 1,102.03
28	600	Customer Options	Add fire suppression per 5-7	\$ 4,209.89

Reference No.	Option No.	Option Group	Description	Total
29	549	HVAC System	Remove floor heating system and auxiliary heater.	\$ (3,673.83)
30	470	Destination Signs	Change destination signs to TwinVision Color Destination Signs (Front, C/side, S/side). Add amber rear.	\$ 12,619.66
31	600	Customer Options	DTI Camera System	\$ 21,618.43
32	600	Customer Options	Add On-Board AVAS per 3-12 to 3-13	\$ 14,558.59
33	526	Seating & Stanchions	Re-quote to American Seating 6468, 36 passenger seats (perimeter in the L/D and forward facing in upper deck), staggered forward facing Q'Strait W/C restraint, with blue push button, BC55 flip seats	\$ 156.56
34	526	Seating & Stanchions	Change driver seat to USSC 9100ALX non-D90 per 4-7.	\$ 276.75
35	600	Customer Options	Add APC per 3-20 to 3-22	\$ 8,626.50
36	Manuals	Deliverable	Remove MDOT Specific Manuals, replace with SFMTA specific manuals	\$ 1,518.67
37	280	Passenger Signal	Add Stop request sign on destination sign compartment door	\$ 321.98
39	Delivery	Deliverable	Add Delivery Quote	\$ 3,909.00
40	PPI	Producer Price Index	BAE Hybrid	\$ 144,191.00
41	246	Air, Brake & Lev System	Add rapid recover and equip with raise feature for steep inclines, 1" at 3 MPH is preferred to prevent chances of damaging front shocks.	\$ 692.25
42	600	Customer Options	Add beeper exterior sound when buses are turning with via footswitch. Note, the volume of the exterior beeper will not be adjustable by the driver.	\$ 43.40
43	350	Drivers Control	Change to teleflex pedals.	\$ 974.60

Reference No.	Option No.	Option Group	Description	Total
44	600	Customer Options	Add additional feature for exterior announcement as passenger exit the bus "Do not walk in front of bus". No additional cost, feature is standard in AVAS system	\$ -
45	491	Door Exit	Re-quote Vapor Class system to include Activair baseplate with locking mechanism.	\$ 3,368.78
46	526	Seating & Stanchions	Add 10" seat belt extender, to change seat belt length.	\$ 78.12
47	549	HVAC System	Change to Heat only. (Pricing per MDOT contract)	\$ (11,073.00)
48	600	Customer Options	Delete the farebox pedestal portion of the farebox, the farebox will sit on the floor so it does not obscure the driver's view in the event a 41" farebox installed.	\$ (190.19)
49	600	Customer Options	Add transfer mounting bracket, farebox mounting support plate and wiring.	\$ 104.87
50	526	Seating & Stanchions	Add qty 12 metal grab straps. Change stanchions to cast fittings for use with metal grab straps. Note: Metal grab straps not useable with bonded stanchions.	\$ 654.01
51	.	Customer Options	Add customer specific farebox pedestal (in the event an 41" farebox is installed)	\$ 538.30
52	205	Tires	Change the wheels to Alcoa Dura-Brite.	\$ 682.02
53	273	Exterior Lamp	Change to two 18"x 1"LED center stop/deceleration light above the engine door in lieu of flashing decel system per Section 3.3.2.	\$ 63.93
54	600	Customer Options	Add two (2) external recessed buttons (elevator switches)	\$ 318.60
55	600	Customer Options	Clipper cable harnesses.	\$ 462.52
56	231	Cooling System	Add EMP cooling system to base.	\$ 8,625.00
57	422	Body A/P After Paint	Add bi-fold drivers enclosure.	\$ 2,469.78

Reference No.	Option No.	Option Group	Description	Total
58	600	Customer Options	Add rearview camera system with 7" color monitor in driver's area	\$ 1,665.90
59	600	Customer Options	Add Drive cam with event recorder	\$ 625.00
60	422	Body A/P After Paint	Add two more for a total of four Equipment Trays.	\$ 350.80
61	Ext. Warranty	Deliverable	Add 2nd Year Bumper to Bumper extended warranty	\$ 9,944.10
62	Ext. Warranty	Deliverable	Add 3 year Extended BAE Warranty	\$ 16,500.00
63	Bonding	Deliverable	Add 20% Performance Bond and 2 year, 10% Warranty Bond	\$ 6,020.00
64	219	Engine	Add APS2 from BAE	\$ 15,000.00
65	526	Seating & Stanchions	Driver's park brake alarm from seat cushion to seat belt activation	\$ (70.00)
66	600	Customer Options	Drivecam to change to harness provision only	\$ (552.00)
67	273	Exterior Lamp	Add cornering lamp to curbside rear	\$ 302.67
68	422	Body A/P After Paint	Add keyed paddle latches to the SDS enclosure door	\$ (8.65)
69	526	Seating & Stanchions	Add 12 additional black nylon grabstraps	\$ 105.95
70	526	Seating & Stanchions	Revisions to Seating Configuration & Layout	\$ 2,001.04
71	600	Customer Options	Add Equipment Box to Curbside Luggage Rack	\$ 440.94
72	526	Seating & Stanchions	Reverse increase for Driver's Seat Belt Extender	\$ (78.00)

Reference No.	Option No.	Option Group	Description	Total
73	260	Battery Compartment	Add battery jumpstart per proposal	\$ 304.80
74	600	Customer Options	Delete back up camera and monitor	\$ (1,666.00)
75	526	Seating & Stanchions	Reverse credit to change back to driver's park brake alarm triggered thru seat cushion	\$ 70.00
76	290	Wiring Diagrams	Change functionality on instrument panel indicators	\$ 19.07
77	284	Elect - Side/Console	Add guard to hill switch	\$ 24.46
78	422	Body A/P After Paint	Change to square keys from torque fasteners on rear PLC	\$ (91.22)
79	422	Body A/P After Paint	Change square keys to torque latches on bulkhead access doors	\$ 87.27
80	246	Air, Brake & Lev System	Add front tow & change air connect fitting tags	\$ 23.21
81	304	Paint & Decal	Add ramp decal below kneeling light	\$ 27.52
82	246	Air, Brake & Lev System	Change to stainless steel braided hoses at the air dryer	\$ 39.80
83	549	HVAC System	Change to ball valves on coolant lines	\$ 114.68
84	203	Suspension Front	Add splash apron behind front wheels	\$ 194.00
85	480	Mirrors	Replace driver's exterior mirror and arm	\$ 80.28
86	600	Customer Options	Add exterior camera above driver's window	\$ 787.21
87	491	Door Exit	Add retaining screw to exit door frangible cover box	\$ 10.80
88	526	Seating & Stanchions	Replace metal handholds with black nylon grabstraps	\$ (1,137.84)

Reference No.	Option No.	Option Group	Description	Total
89	470	Destination Signs	Add CONNECT software	\$ 2,340.00
90	290	Wiring Diagrams	Change delay on pressure sensor on driver's seat from 5 seconds to 1 second	\$ 2,340.00
91	209	Steering	Electrical Power Steering and Compressor	\$ 5,078.00
Base Bus Price Change Total				\$ 297,885.32
38	705	Contract Spares	One Spare Wheel per bus	\$ 456.10
Contract Spares Base Bus Price Change Total				\$ 456.10
Grand Total				\$ 298,341.42

EXHIBIT C

DELIVERY SCHEDULE

Item	Calendar Days after Notice to Proceed
Submittal of Baseline Schedule	60
Submittal of vehicle drawings	90
Beginning of coach delivery	90
Completion of coach delivery	180

Exhibit D-Additional Equipment

Description	Date	SR1794 BAE
Bike Rack from NP to WP	06/12/2013	\$0.00
Street Mirror to Higher Mount Type	06/17/2013	\$0.00
Seating Layout	07/09/2013	\$0.00
Radio Cables	07/23/2013	(\$52.18)
DRI Infrastructure	07/23/2013	(\$295.82)
Kratos Infrastructure	07/24/2013	\$16,470.00
UTA Infrastructure	07/25/2013	(\$125.00)
DriveCAM	08/12/2013	\$772.63
Frangible Glass	08/12/2013	\$33.75
Signal Priority Equipment	08/30/2013	\$6,786.71
Side Visor	09/20/2013	\$206.01
Clipper Commissioning	09/20/2013	\$2,484.45
Coolant Flush and Replacement	09/24/2013	\$869.81
Cost per Bus		\$27,150.36
Total Cost for 50 Bus Procurement		\$1,357,518.00

Original Cost Per Bus:	\$689,686.32
Final Cost Per Bus with Additional Equipment:	\$716,836.68