



BOARD OF DIRECTORS MEETING AGENDA

**Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, December 4, 2018
8:30 AM
John G. Britton Auditorium
550 Olive Street, Santa Barbara, CA 93101**

1. CALL TO ORDER

2. ROLL CALL OF THE BOARD MEMBERS

Dave Davis (Chair), David Tabor (Vice Chair), Bill Shelor (Secretary), Olivia Rodriguez (Director), Dick Weinberg (Director), Chuck McQuary (Director), Paula Perotte (Director).

3. REPORT REGARDING POSTING OF AGENDA

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES - (ATTACHMENT - ACTION MAY BE TAKEN)

The Board of Directors will be asked to waive the reading of and approve the draft minutes for the meeting of November 20, 2018.

5. CASH REPORT - (ATTACHMENTS - ACTION MAY BE TAKEN)

The Board of Directors will be asked to review and approve the Cash Report from November 12, 2018, through November 26, 2018.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

Members of the public may address the Board of Directors on items within jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk, a "Request to Speak" form that includes both a description of the subject you wish to address and, if applicable, the agenda item number for which you would like to comment. Additional public comment will be allowed during each agenda item, including closed session items. Forms are available at www.sbmtd.com and at MTD Administrative offices.

BOARD OF DIRECTORS MEETING AGENDA

7. ELECTION OF BOARD OFFICERS - (ACTION MAY BE TAKEN)

The Board will hold elections for the following Board assignments:

- Chair
- Vice Chair
- Secretary

8. BUS CELLULAR MODEM 4G UPGRADE CONTRACT - (ATTACHMENT - ACTION MAY BE TAKEN)

Staff recommends that the Board award a \$295,952.60 contract to Clever Devices to upgrade the communications systems on board MTD buses to migrate to the 4G cellular network and provide for future expansion of Wi-Fi and cellular services.

9. GENERAL MANAGER'S REPORT UPDATE - (INFORMATIONAL)

- a. Holiday Parades
- b. Fleet Status

10. OTHER BUSINESS AND REPORTS - (ACTION MAY BE TAKEN)

The Board will report on other related public transit issues and Committee meetings.

PUBLIC COMMENT RELATED TO CLOSED SESSION ITEM(S) WILL BE ALLOWED BEFORE THE RECESS

11. RECESS TO CLOSED SESSION (ACTION MAY BE TAKEN)

- a. Unrepresented Employees Performance Review (Gov. Code Section 54957(b)(1))
- b. Conference with Labor Negotiators (Gov. Code Section 54957.6(a).)
Employee: Unrepresented Employees
Agency-designated representatives: MTD General Manager

12. RECESS TO CLOSED SESSION (ACTION MAY BE TAKEN)

- a. General Manager Performance Review (Gov. Code Section 54957(b)(1))
- b. Conference with Labor Negotiators (Gov. Code Section 54957.6(a).)
Employee: General Manager
Agency-designated representatives: MTD Board of Directors Chair Dave Davis and Legal Counsel Doug Large

13. ADJOURNMENT

AMERICANS WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 805.963.3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



BOARD OF DIRECTORS MEETING DRAFT MINUTES

**Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, November 20, 2018
8:30 AM
John G. Britton Auditorium
550 Olive Street, Santa Barbara, CA 93101**

1. CALL TO ORDER

Chair Dave Davis called the meeting to order at 8:31 AM.

2. ROLL CALL OF THE BOARD MEMBERS

Chair Davis reported that all members were present with the exception of Director Olivia Rodriguez.

3. REPORT REGARDING POSTING OF AGENDA

Christina Perry, Administrative Assistant Lead, reported that the agenda was posted on Friday, November 16, 2018, at MTD's Administrative office, mailed and emailed to those on the agenda list, and posted on MTD's website.

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES - (ATTACHMENT - ACTION MAY BE TAKEN)

The Board of Directors was asked to waive the reading of and approve the draft minutes for the meeting of November 6, 2018.

5. CASH REPORT - (ATTACHMENTS - ACTION MAY BE TAKEN)

The Board of Directors was asked to review and approve the Cash Report from October 30, 2018, through November 12, 2018.

6. SINGLE AUDIT - (ATTACHMENT - ACTION MAY BE TAKEN)

The Board of Directors was asked to accept the final Single Audit Report for the fiscal year ended June 30, 2018, prepared by McGowan Guntermann.

Staff answered questions from the Board. Vice Chair Dave Tabor moved to approve the consent calendar. Director Paula Perotte seconded the motion. The motion passed unanimously.

THIS CONCLUDES THE CONSENT CALENDAR

7. PUBLIC COMMENT

No public comments were made.

8. ZERO EMISSION BUS (ZEB) GOAL - (ATTACHMENT - ACTION MAY BE TAKEN)

General Manager Jerry Estrada recommended that the Board of Directors consider adopting a goal to achieve a 100% zero emission bus (ZEB) fleet by 2030.

Public comment in support of a 2030 ZEB Goal was provided by: Katie Davis, Chair of the Santa Barbara Sierra Club; Karen Brill, representing Climate Reality Leaders; Lee Moldaver; Rondi Guthrie, Government Relations Manager for Southern California Edison (SCE); Martha Sadler; Jonathan Ullman, Chapter Director of the Los Padres Sierra Club; and Michael Chiacos, Energy and Climate Program Director for the Community Environmental Council (CEC).

Board members discussed challenges related to goal implementation and thanked the community for their support and advocacy.

Chair Davis moved to approve adoption of a 2030 ZEB goal. Vice Chair Tabor seconded the motion. The motion passed unanimously.

CHAIR DAVIS RECESSED THE MEETING BETWEEN 9:04 AM AND 9:07 AM

9. FIRST QUARTER FINANCIAL REPORTS - (ATTACHMENT - INFORMATIONAL)

Assistant Controller Thais Sayat presented the financial results for the first quarter of Fiscal Year 2018-19.

The Board thanked Assistant Controller Sayat and Brad Davis, Assistant General Manager / Controller, for preparing and presenting the first quarter financial reports.

10. DIRECTORS AND OFFICERS (D&O) INSURANCE / EMPLOYMENT PRACTICES LIABILITY (EPL) / FIDUCIARY LIABILITY - (ACTION MAY BE TAKEN)

Mary Gregg, Manager of Human Resources and Risk, recommended that the MTD Board of Directors approve binding coverage for Directors and Officers (D&O) insurance, Employment Practices Liability insurance (EPL), and Fiduciary Liability insurance for policy period January 3, 2019 – January 3, 2020.

Ms. Gregg answered questions from the Board. Director Chuck McQuary moved to approve binding coverage for all policies. Vice Chair Tabor seconded the motion. The motion was approved unanimously.

11. FIRST QUARTER PERFORMANCE REPORTS - (ATTACHMENT - INFORMATIONAL)

General Manager Estrada presented performance reports for the first quarter of Fiscal Year 2018-19 and answered questions from the Board.

12. CALLE REAL DEVELOPMENT ATTORNEY ENGAGEMENT LETTER - (ATTACHMENT - ACTION MAY BE TAKEN)

General Manager Estrada presented the Engagement Letter submitted by Mullen & Henzell L.L.P. to provide legal services for the Transit Oriented Calle Real Housing Development project. General Manager Estrada answered questions from the Board.

Director McQuary moved to authorize General Manager Estrada to execute the attorney contract. Director Perotte seconded the motion. The motion passed unanimously.

BOARD OF DIRECTORS MEETING DRAFT MINUTES

13. 2019 COMMITTEE ASSIGNMENTS - (ATTACHMENT - ACTION MAY BE TAKEN)

General Manager Estrada requested that the Board of Directors consider Committee assignments and offered recommendations for 2019. Recommendations include; reducing the number of standing committees to three by dissolving the External Affairs committee and shifting those responsibilities to the Planning & Marketing Committee; forming a new Facilities Master Plan ad-hoc committee.

Three board members - Chair Davis, Director McQuary, and Secretary Bill Shelor - requested appointment to the new Facilities Master Plan ad-hoc committee. No membership changes were requested to the Calle Real ad-hoc, SBCAG South Coast Sub regional or Coastal Express Committees.

Chair Davis declared that all committee assignments stand by unanimous consensus.

14. GENERAL MANAGER'S REPORT UPDATE - (INFORMATIONAL)

General Manager Estrada provided the Board with a fleet update and announced the promotions of two staff members: Tony Mendibles to Interim Planning and Marketing Coordinator and Hillary Blackerby to Interim Planning and Marketing Manager.

15. OTHER BUSINESS AND REPORTS - (ACTION MAY BE TAKEN)

Secretary Shelor inquired about new bike rack regulations, bike sharing programs, and voter assistance during elections. Additionally, General Manager Estrada noted that MTD might coordinate with local law enforcement agencies to aid in community evacuation scenarios.

PUBLIC COMMENT RELATED TO CLOSED SESSION ITEM(S) WILL BE ALLOWED BEFORE THE RECESS

16. RECESS TO CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION - (ACTION MAY BE TAKEN)

The Board met in closed session, pursuant to Government Code § 54957, to evaluate the performance of the District's General Manager.

No public comments were made prior to recess. Chair Davis stated that the Board would stand in recess to closed session at 10:10 AM.

At the end of the closed session, Chair Davis stated that no reportable action was taken.

17. ADJOURNMENT

Vice Chair Tabor moved to adjourn the meeting at 11:20 AM. Director McQuary seconded the motion. The motion passed unanimously.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of December 4, 2018
For the Period November 13, 2018 through November 26, 2018

MONEY MARKET

Beginning Balance November 13, 2018 **\$5,978,269.80**

Property Tax Revenue	173,530.13
Passenger Fares	155,765.35
LCTOP Transfer	15,822.49
Accounts Receivable	13,620.08
Interest Income	3,608.87
Miscellaneous Income	1,608.63
Prop 1B Cap Revenue	<u>1,397.00</u>
Total Deposits	365,352.55

Miscellaneous Transfers	(838.36)
Bank & Credit Card Fees	(6,268.24)
401(k)/Pension Transfer	(37,469.24)
Workers' Compensation	(65,659.84)
Payroll Taxes	(165,828.54)
Accounts Payable	(262,970.48)
Payroll	<u>(377,143.28)</u>
Total Disbursements	(916,177.98)

Ending Balance **\$5,427,444.37**

CASH INVESTMENTS

LAIF Account	\$8,502,983.34
Money Market Account	<u>5,427,444.37</u>

Total Cash Balance **\$13,930,427.71**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$4,161,882.07)
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Working Capital **\$9,768,545.64**

**Santa Barbara Metropolitan Transit District
Cash Receipts of Accounts Receivable**

Date	Company	Description	Amount
11/13/2018	Montecito Bank & Trust	Advertising on Buses	2,840.00
11/14/2018	City of S.B. Waterfront Department	Waterfront Shuttle Service-Cruise Ship	3,272.08
11/14/2018	First5	Advertising on Buses	272.00
11/16/2018	Moonlight Graphics/Mktg	Advertising on Buses	7,236.00
Total Accounts Receivable Paid During Period			\$13,620.08

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
119533	11/15/2018	ABC BUS COMPANIES INC	BUS PARTS	605.95	
119534	11/15/2018	APPLEONE EMPLOYMENT SERVIC	CONTRACT EMPLOYMENT	951.60	
119535	11/15/2018	ASBURY ENVIRONMENTAL	WASTE OIL RECYCLER	35.00	
119536	11/15/2018	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	1,643.95	
119537	11/15/2018	BNS ELECTRONICS, INC.	SANTA YNEZ SITE RENTAL	285.28	
119538	11/15/2018	BUENA TOOL, INC.	SHOP/B&G SUPPLIES	63.13	
119539	11/15/2018	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	12.05	
119540	11/15/2018	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	268.12	
119541	11/15/2018	CITY OF SANTA BARBARA	CSR PARKING PERMITS	80.00	
119542	11/15/2018	CELTIS VENTURES, INC.	MARKETING SERVICES	5,082.50	
119543	11/15/2018	CENTRAL COAST CIRCULATION, L	BUS BOOK DISTRIBUTION	575.00	
119544	11/15/2018	COMMUNITY RADIO, INC.	GIB. SITE RENTAL	256.29	
119545	11/15/2018	CINTAS CORPORATION	FIRST AID SUPPLIES	815.42	
119546	11/15/2018	CUMMINS PACIFIC, LLC	BUS PARTS & REPAIRS	4,488.07	
119547	11/15/2018	COUNTY OF S.B.PUBLIC WORKS D	WASTE DISPOSAL	97.20	
119548	11/15/2018	DAVID DAVIS JR.	DIRECTOR FEES	820.41	
119549	11/15/2018	DIESEL FORWARD, INC.	BUS PARTS	5,716.87	
119550	11/15/2018	DOWNTOWN ORGANIZATION, INC.	TC MAINTENANCE	450.00	
119551	11/15/2018	EASY LIFT TRANSPORTATION, INC	MONTHLY ADA SUBSIDY	78,496.83	
119552	11/15/2018	ELECTRO-MECHANICAL REPAIR, I	BUS PARTS & REPAIRS	32.50	
119553	11/15/2018	ELECTRONIC DATA MAGNETICS, I	BUS PASSES	13,321.88	
119554	11/15/2018	ERGOMETRICS, INC.	DRIVER TEST SCORING	6.00	
119555	11/15/2018	FLEET SERVICES, INC.	BUS PARTS	470.48	
119556	11/15/2018	GIBBS INTERNATIONAL INC	BUS PARTS	1,309.95	
119557	11/15/2018	GILLIG LLC	BUS PARTS	7,423.51	
119558	11/15/2018	GOGETTERS, LLC DBA	COURIER SERVICES	75.00	
119559	11/15/2018	GOLD COAST TRANSPORT REFRIG	BUS AIR CONDITIONER MAINTENANC	859.43	
119560	11/15/2018	GOTCHA MEDIA HOLDINGS, LLC	ADVERTISING AT UCSB KIOSKS	1,200.00	
119561	11/15/2018	GRAINGER, INC.	SHOP/B&G SUPPLIES	517.20	
119562	11/15/2018	RYAN GRIPP	REIMBURSEMENTS	92.50	
119563	11/15/2018	GOLETA VALLEY CHAMBER OF C	MEMBERSHIP / MEETINGS	355.00	
119564	11/15/2018	STEPHEN HAHN	TRAVEL REIMBURSEMENT	318.36	
119565	11/15/2018	HAYWARD LUMBER	SHOP SUPPLIES	37.50	
119566	11/15/2018	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	72.06	
119567	11/15/2018	INTEGRATED SOFTWARE SYSTEM	WEB SITE CONSULTING	55.00	
119568	11/15/2018	KIMBALL MIDWEST	SHOP SUPPLIES	657.89	
119569	11/15/2018	LAWSON PRODUCTS INC	SHOP SUPPLIES	590.78	
119570	11/15/2018	LENZ PEST CONTROL DBA	FUMIGATION SERVICES	40.00	

Check #	Date	Company	Description	Amount	Voids
119571	11/15/2018	LIFELOC TECHNOLOGIES, INC.	BREATH ANALYZER TRAINING	50.00	
119572	11/15/2018	STEVEN EDWARD MAAS	REIMBURSEMENT	86.66	
119573	11/15/2018	MC CORMIX CORP. (OIL)	LUBRICANTS	5,228.49	
119574	11/15/2018	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	3,181.34	
119575	11/15/2018	MCMASTER-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	22.64	
119576	11/15/2018	CHUCK MCQUARY	DIRECTOR FEES	120.00	
119577	11/15/2018	JOSEPH MENDOZA	DMV/VTT REIMBURSEMENT	55.00	
119578	11/15/2018	KENNETH B. MILLS	PROCUREMENT SERVICES	583.00	
119579	11/15/2018	MISSION LINEN SUPPLY, INC	UNIFORM & LINEN SERVICE	5,756.74	
119580	11/15/2018	MURPHY ELECTRIC MAINTENANC	ELECTRICAL REPAIRS/INSTALLATION	589.58	
119581	11/15/2018	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	105.05	
119582	11/15/2018	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	1,442.35	
119583	11/15/2018	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	1,049.95	
119584	11/15/2018	NORTHWEST PUMP & EQUIPMENT	FUEL ISLAND SUPPLIES	357.17	
119585	11/15/2018	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	1,106.44	
119586	11/15/2018	N/S CORPORATION	BUS WASHER PARTS	879.67	
119587	11/15/2018	PAULA A. PEROTTE	DIRECTOR FEES	120.00	
119588	11/15/2018	PETTY CASH- PERRY, CHRISTINA	MISC. PURCHASES	384.31	
119589	11/15/2018	POWERSTRIDE BATTERY CO.	EV BATTERIES	598.89	
119590	11/15/2018	PRAXAIR DISTRIBUTION, INC.	SHOP SUPPLIES	108.54	
119591	11/15/2018	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	164.19	
119592	11/15/2018	RINCON BROADCASTING DBA	MEDIA ADVERTISING	885.00	
119593	11/15/2018	OLIVIA RODRIGUEZ	DIRECTOR FEES	180.00	
119594	11/15/2018	SCR TTC	MEMBERSHIP - ONLINE BUS MAINTEN	1,000.00	
119595	11/15/2018	SB LOCKSMITHS, INC.	B&G REPAIR & SUPPLIES	12.28	
119596	11/15/2018	SANTA BARBARA NEWS PRESS	PUBLIC NOTICES/EMPLOYMENT ADS	73.90	
119597	11/15/2018	SANTA BARBARA TROPHY	DRIVER NAME PLATES	63.95	
119598	11/15/2018	WILLIAM JOHN SHELOR	DIRECTOR FEES	120.00	
119599	11/15/2018	SM TIRE, CORP.	BUS TIRE MOUNTING	677.12	
119600	11/15/2018	SMARDAN-HATCHER CO., INC	B&G REPAIRS & SUPPLIES	252.59	
119601	11/15/2018	SO. CAL. EDISON CO.	UTILITIES	8,106.97	
119602	11/15/2018	SOUTHWEST LIFT & EQUIPMENT, I	LIFT REPAIRS & SUPPLIES	570.86	
119603	11/15/2018	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	1,395.66	
119604	11/15/2018	SUZANNE ELLEDGE PLANNING &	CALLE REAL PERMIT SERVICES	861.85	
119605	11/15/2018	THE MEDCENTER	MEDICAL EXAMS	1,206.00	
119606	11/15/2018	TK SERVICE, INC.	BUS PARTS & REPAIRS	589.22	
119607	11/15/2018	DAVID T. TABOR	DIRECTOR FEES	180.00	
119608	11/15/2018	TANK TEAM INC.	TANK TESTS	588.50	
119609	11/15/2018	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	47,083.82	
119610	11/15/2018	J.C. M. AND ASSOCIATES INC.	UNIFORMS	1,373.66	
119611	11/15/2018	VALLEY POWER SYSTEMS, INC.	BUS PARTS	4,941.31	

Check #	Date	Company	Description	Amount	Voids
119612	11/15/2018	VENTURA COUNTY OVERHEAD D	B&G REPAIRS & SUPPLIES	750.00	
119613	11/15/2018	VERIZON WIRELESS	WIRELESS PHONES & AIM CELLULAR	1,985.61	
119614	11/15/2018	VERITECH, INC.	BUS PARTS	2,179.00	
119615	11/15/2018	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	625.20	
119616	11/15/2018	WAYNE'S TIRE INC.	VEHICLE TIRES	129.00	
119617	11/15/2018	RICHARD WEINBERG	DIRECTOR FEES	180.00	
119618	11/15/2018	WEST MARINE PRO DBA	BUS PARTS	163.02	
119619	11/15/2018	WHITE ROCK SECURITY GROUP, L	ESET SECURITY SOFTWARE LICENSE	784.80	
119620	11/15/2018	SO. CAL. EDISON CO.	UTILITIES	4,820.42	
119621	11/21/2018	FEDEX dba	FREIGHT CHARGES	178.35	
119622	11/21/2018	STATE OF CALIFORNIA	PAYROLL RELATED	500.00	
119623	11/21/2018	FRONTIER CALIFORNIA INC.	TELEPHONES	1,982.77	
119624	11/21/2018	NATIONAL DRIVE	PAYROLL DEDUCTION	46.00	
119625	11/21/2018	NATIONAL INTERSTATE INS INC.	LIABILITY INSURANCE	26,703.01	
119626	11/21/2018	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	260.00	
119627	11/21/2018	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	75.00	
119628	11/21/2018	SOCALGAS	UTILITIES	96.09	
119629	11/21/2018	STATE BOARD OF EQUALIZATION	PAYROLL RELATED	250.00	
119630	11/21/2018	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	814.80	
119631	11/21/2018	UNITED WAY OF SB	PAYROLL DEDUCTION	68.00	
119632	11/21/2018	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	48.00	
				262,970.48	
				Current Cash Report Voiced Checks:	0.00
				Prior Cash Report Voiced Checks:	0.00
				Grand Total:	\$262,970.48



BOARD OF DIRECTORS REPORT

MEETING DATE:	DECEMBER 4, 2018	AGENDA ITEM: #7
DEPARTMENT:	BOARD OF DIRECTORS	
TYPE:	ACTION ITEM	
PREPARED BY:	JERRY ESTRADA	_____
		<i>Signature</i>
REVIEWED BY:	GENERAL MANAGER	_____
		<i>Signature</i>
SUBJECT:	ANNUAL ELECTION OF BOARD OFFICERS	

RECOMMENDATIONS:

The Board will hold elections for the following Board assignments:

- Chair
- Vice Chair
- Secretary



BOARD OF DIRECTORS REPORT

MEETING DATE: DECEMBER 4, 2018 **AGENDA ITEM: #8**
DEPARTMENT: FINANCE
TYPE: ACTION ITEM
PREPARED BY: BRAD DAVIS _____
Signature
REVIEWED BY: GENERAL MANAGER _____
Signature
SUBJECT: BUS CELLULAR MODEM 4G UPGRADE CONTRACT

RECOMMENDATION:

Staff recommends that the Board award a \$295,952.60 contract to Clever Devices to upgrade the communications systems on board MTD buses to migrate to the 4G cellular network and provide for future expansion of Wi-Fi and cellular services.

DISCUSSION:

Project Purpose

Cellular communications between MTD's bus fleet and the MTD network is used for several purposes, including the provision of real time bus arrival information to the public; and bus location, schedule adherence, and other information to improve fleet management. The communications are currently provided by Verizon Wireless utilizing its 3G network, which was specified in MTD's 2014 agreement with Clever Devices. At that time, none of the vendors responding to the ITS solicitation were using the newly emerging 4G network. Over the next year, Verizon and all other cellular service providers in the U.S. are deactivating their now obsolete 3G CDMA networks and switching legacy users to the faster 4G LTE network. There is no additional service cost by Verizon Wireless for the upgrade, which is mandatory.

Project Description

The project includes initial project design and engineering; the purchase and installation of new 4G modems onboard MTD's 112 buses; and the configuration and testing of the modems and Clever Devices systems to establish proper communications protocols. There are two options to complete the upgrade: replace the 3G modems currently integrated within Clever Devices equipment with a similarly integrated 4G modem; or disable that internal 3G modem and add a separate 4G external modem. For the external modems, there is also the choice of using a basic device dedicated and limited to the Clever Devices system or a modem with additional features and capabilities that can provide services beyond those required for Clever Devices systems. Staff is proposing the advanced external modem to prepare for future communications needs.

BOARD OF DIRECTORS REPORT

Benefits

The most obvious and critical benefit is the continued cellular communications needed for MTD's existing intelligent transportation systems. The advanced modem proposed by Clever Devices also serves the function of a router and allows the simultaneous use of one GPS, two Wi-Fi, and two cellular signals. The device also supports the emerging 4G-Advanced technology that would give each bus the ability to support high-bandwidth public Wi-Fi and live video streaming (additional cellular services would be necessary for implementing these features). In addition, the advanced modem provides improved security to segregate the bus private and public networks.

Non-Competitive Procurement

Because the project involves the upgrading and configuration of Clever Devices systems and equipment, they are the only qualified party to carry out the project work (even if another qualified vendor existed, its use would void a portion of the prepaid three-year warranty). As such, the solicitation is considered a non-competitive—or sole source—procurement. MTD requested a quote from Clever Devices for the project work. Following negotiations, several quote revisions, and a price analysis, staff finds the contract amount to be fair and reasonable.

Funding & Budget

MTD received notification of the 3G network sunset date after approval of this year's budget. Thus, a capital budget revision is implicit in the contract award recommendation. Last year, MTD was awarded a Prop 1B Transit Security grant of \$233,000 which has a spending deadline of March 31, 2019. The funds are allocated in the current year budget for Olive Terminal improvements. However, the improvements fall into the realm of construction projects with long lead times that cannot be completed by the funding deadline. MTD sought and received approval from the state to reallocate the Prop 1B funds to the 4G upgrade project. The remaining \$63,000 required to cover the project cost would come from available State Transit Assistance.

ATTACHMENT:

- Bus Cellular Modem 4G Upgrade Contract

Santa Barbara Metropolitan Transit District
BUS CELLULAR MODEM 4G UPGRADE
MASTER AGREEMENT with Clever Devices

THIS AGREEMENT is entered into by and between Santa Barbara Metropolitan Transit District, an incorporated transit district under Sections 95000, et seq. of the California Public Utilities Code ("MTD"), and Clever Devices LTD., a New York corporation ("Contractor"), at Santa Barbara, California, as of the later date set forth below the signatures executing this Agreement.

WHEREAS:

- A. MTD desires to engage Contractor for the upgrade of 3G modems on MTD buses to 4G modems that are used for cellular communications between Clever Devices systems and equipment (the "Project");
- B. Contractor represents that it has the knowledge and experience to carry out the Project, and desires to carry out the Project pursuant to the terms and conditions hereof, and;
- C. Based upon the representations made by Contractor, MTD desires to retain the services of Contractor to carry out the aforesaid Project, upon the within terms and conditions.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

- 1. Effect of Recitals. The foregoing recitals are hereby made express provisions of this Agreement.
- 2. FTA Provisions. Not applicable to this agreement.
- 3. Public Works Provisions. Not applicable to this agreement.
- 4. Statement of Work. See clause 5 below.
- 5. Proposal. Contractor has heretofore submitted on November 29, 2018 a Proposal, including the statement of work to carry out the Project, a true copy is attached hereto as Exhibit A and incorporated herein by this reference.
- 6. Order of Control. Contractor shall carry out the Project described in Exhibit A to this Agreement for the price quoted in Exhibit A. All work and services shall be performed according to and controlled by the terms and provisions of this Agreement and the exhibit attached hereto. In the event of any conflict between the contract documents, the following order of control shall prevail: MTD Master Agreement, Exhibit A.
- 7. Contract Price. Contractor shall carry out the Project for a fixed price of \$295,952.60 which is in accordance with Exhibit "A".
- 8. Payment. Contractor shall submit invoice to MTD based upon the schedule included in Exhibit A. Payment from MTD shall be made to Contractor no later than thirty (30) days of receipt of the invoice or after acceptance by MTD (see paragraph 15) for the final payment. Invoices shall be sent to: Santa Barbara MTD, Attn: Brad Davis, 550 Olive Street, Santa Barbara, CA 93101.
- 9. Taxes. MTD is subject to applicable California Sales Tax for Santa Barbara County which are included in the Contractor's proposal price and shall be included on the Contractor's invoice.
- 10. Project Schedule. See Contractor Proposal (Exhibit A).
- 11. Delivery & Freight. See Contractor Proposal (Exhibit A).
- 12. Title & Risk of Loss. The Contractor shall have title to and bear the risk of any loss of or damage to any item provided hereunder until delivered. Following delivery, title shall pass from the Contractor to MTD, and the Contractor's responsibility for loss or damage shall cease, except for loss or damage resulting from the Contractor's negligence. Such passing of title shall not constitute acceptance of an item by MTD. The Contractor shall further warrant that the title to any item provided hereunder is free from all claims, encumbrances and liens.

13. Damages. All losses or damages arising from any unforeseen circumstances, either natural or artificial, which may be encountered by the Contractor during the performance of the Project under this Agreement shall be sustained solely by the Contractor. This provision shall also apply to losses or damages resulting from any act or omission not authorized by this Agreement on the part of the Contractor or any agent or person employed by the Contractor.

14. Defective, Damaged or Noncompliant Work. Any items, services, work or systems acquired pursuant to this Agreement found to be defective, damaged or non-compliant with the Proposal (Exhibit A) at the time of delivery or installation shall be replaced by the Contractor without additional cost to MTD. If the Contractor should fail to promptly comply with any order to replace or repair any defective items, services, work or systems, MTD shall have the authority to deduct the cost of such replacement or repair from any compensation due or to become due to the Contractor. Nothing in this section shall limit or restrict any warranty provisions of this Agreement or any exhibits hereto.

15. Acceptance. All items, services, work or systems to be furnished by the Contractor pursuant to this Agreement shall be subject to acceptance by MTD. MTD shall inspect such deliverables to determine acceptability no later than thirty (30) calendar days after said deliverables are received and, if applicable under the Agreement or standard industry practice, installed or otherwise set up for usage. Acceptance shall occur when it is determined by MTD that all items, services, work or systems provided pursuant to this Agreement are in compliance with the Proposal (Exhibit A). Upon acceptance, formal notification thereof shall be made by MTD via notice to the Contractor.

16. Warranty. See Contractor Proposal (Exhibit A).

17. Changes. Any changes or modifications to this Agreement must be in writing, and agreed to by both parties.

18. Insurance.

a. Commercial General Liability Insurance.

i. Coverage. Such insurance shall cover liability arising out of all locations and operations of Contractor, including but not limited to liability assumed under this Agreement (including the tort liability of another assumed in a business contract). Defense shall be provided as an additional benefit and not included within the limit of liability.

ii. Form. Commercial General Liability Occurrence form, at least as broad as an unmodified ISO CG 00 01 10 93 or its equivalent.

iii. Amount of Insurance. Coverage shall be provided with limits of not less than:

A. Each Occurrence Limit	\$1,000,000
B. General Aggregate Limit	\$2,000,000
C. Product-Completed Operations Aggregate Limit	\$2,000,000
D. Personal and Advertising Injury Limits	\$1,000,000
E. Fire Damage (any one fire)	\$50,000
F. Medical Expense (any one person)	\$5,000

iv. Required Endorsements.

- A. Additional Insured status.
- B. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage.
- C. Personal Injury Liability: The personal injury contractual liability exclusion shall be deleted.
- D. Primary Liability.
- E. Waiver of Subrogation.

b. Auto Liability Insurance.

i. Coverage. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned).

ii. Form. Business Auto Form (at least as broad as an unmodified ISO CA 0001 or its equivalent).

iii. Amount of Insurance. Coverage shall be provided with a limit of not less than \$1,000,000, combined single limit.

iv. Required Endorsements.

- A. Additional Insured status.
- B. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage.
- C. Waiver of Subrogation.

c. Workers' Compensation/Employer's Liability Insurance.

i. Coverage. Such insurance shall cover liability arising out of Contractor's employment of workers and anyone for whom Contractor may be liable for workers' compensation claims. Workers' compensation insurance is required, and no "alternative" forms of insurance shall be permitted.

ii. Amount of Insurance. Coverage shall be provided with a limit of not less than:

- A. Workers' Compensation: Statutory limits
- B. Employer's Liability: \$1,000,000 each accident and disease.

iii. Required Endorsements.

- A. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage.
- B. Waiver of Subrogation.

19. Bonding. Not applicable to this agreement.

20. Termination. Termination for Default. If the Contractor shall breach any covenant, term or condition of this Agreement, including failure to make progress as to endanger performance of this contract in accordance with its terms, MTD may, by written notice, notify the Contractor setting forth the manner in which the Contractor is in default. MTD's right to terminate this Agreement, in whole or in part, for default may be exercised if the Contractor does not cure the condition(s) constituting the breach within ten (10) calendar days after receipt of such written notice. In such case, the Contractor shall cease performance of the Project or the applicable portion thereof to the extent specified in the notice, and MTD shall pay the Contractor allowable costs and applicable profit thereon incurred to the specified date of termination. The Contractor shall promptly submit to MTD its termination claim for such costs. If it is later determined by MTD that the Contractor did not breach the Agreement and had an excusable reason for not performing, MTD may at its sole discretion set up a revised delivery or performance schedule for the Agreement or applicable portion thereof and allow the Contractor to continue work, or treat the termination as a termination for convenience. Excess Costs. MTD may acquire, under terms and in the manner MTD considers appropriate, equivalent Project services and, if the Agreement or an applicable portion thereof was terminated for default, the Contractor shall be liable to MTD for any excess costs for such Project services. Waiver of Remedies for any Breach. In the event that MTD elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this Agreement, such waiver by MTD shall not limit MTD's remedies for any succeeding breach of that or of any other term, covenant, or condition of this Agreement. MTD Property. If, at termination, the Contractor has in its possession any property, whether completed or in progress, associated with the Project belonging to MTD, the Contractor shall return such property to MTD or otherwise dispense with in the manner MTD directs.

21. Liquidated Damages. Not applicable to this agreement.

22. Infringement of Patents. The Contractor agrees that it will, at its own expense, defend all suits and proceedings instituted against MTD and pay any award of damages assessed against MTD in such suits or proceedings, insofar as the same are based upon any claim that the items, services, work, systems, or any part thereof, or any tool, or process used in or for the Project, constitutes an infringement of any legal United States copyright or patent. MTD agrees that it will give the Contractor prompt notice in writing of the institution of the suit or proceeding and permits the Contractor through its counsel to defend the same and gives the Contractor all information, assistance and authority necessary for the Contractor to do so. In case said items, services, work, systems, or any part thereof, or any tool, or process used in or for the Project, is in such suit held to constitute infringement and use of same is enjoined, the Contractor shall, at its own expense and at its option, either procure for the MTD the right to continue using said items, services, work, systems, or any part thereof, or any tool, or process used in or for the Project, or replace same with non-infringing equipment, or modify it so it becomes non-infringing.

23. Rights in Data. Not applicable to this agreement.

24. **Indemnification.** The Contractor shall, to the extent permitted by law protect, indemnify, defend, and hold MTD and its officers, employees and agents, including consultants, harmless from and against any and all liabilities, damages, claims, demands, liens, encumbrances, judgments, awards, losses, costs, expenses, and suits or actions or proceedings, including reasonable expenses, costs and attorneys' fees incurred by MTD and its officers, employees and agents, including consultants, in the defense, settlement or satisfaction thereof, for any injury, death, loss or damage to persons or property of any kind whatsoever, arising out of, or resulting from, the acts, errors or omissions of the Contractor, including acts, errors or omissions of its officers, employees, servants, agents, subcontractors and suppliers; and upon receipt of notice and if given authority, shall settle at its own expense or undertake at its own expense the defense of any such suit, action or proceeding, including appeals, against the MTD and its officers, employees and agents, including consultants, relating to such injury, death, loss or damage. The Contractor's indemnification shall be limited to the greater of the dollar value of this agreement as indicated in paragraph 7 above or the required dollar coverage of the commercial general liability insurance indicated in paragraph 18(a)(iii) above. Each party shall promptly notify the other in writing of the notice or assertion of any claim, demand, lien, encumbrance, judgment, award, suit, action or other proceeding hereunder. The Contractor shall have sole charge and direction of the defense of such suit, action or proceeding. The MTD shall not make any admission which might be materially prejudicial to the Contractor unless the Contractor has failed to take over the conduct of any negotiations or defense within a reasonable time after receipt of the notice and authority above provided. The MTD shall at the request of the Contractor furnish to the Contractor all reasonable assistance that may be necessary for the purpose of defending such suit, action or proceeding, and shall be repaid all reasonable costs incurred in doing so. The MTD shall have the right to be represented therein by advisory counsel of its own selection at its own expense. The obligations of the Contractor under this clause shall not extend to circumstances where the injury, or death, or damages is caused solely by the negligent acts, errors or omissions of the MTD, its officers, employees, agents or consultants, including negligence in the preparation of the Contract documents, or the giving of directions or instructions with respect to the requirements of the Contract by written order.

25. **Notice.** Notices in connection with this Agreement shall be made in writing and may be delivered either personally, by governmental postal service (regular, certified or registered), by private delivery service, or by email. Receipt shall be deemed to have occurred when actually made to the party or its designated agent. Such notices shall be properly addressed to the intended party as follows:

<p>MTD: Jerry Estrada, General Manager Santa Barbara Metropolitan Transit District 550 Olive Street Santa Barbara, CA 93101 Email: jestrada@sbmtd.gov</p>	<p>CONTRACTOR: Francis J. Ingrassia, President Clever Devices Ltd. 300 Crossways Park Drive Woodbury, NY 11797 E-Mail: fgrassia@cleverdevices.com</p>
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26. **Attorney Fees and Costs.** In the event of a controversy (including, but not limited to arbitration or an criminal or civil filing in a Federal Court or a court of any of the United States) between the parties with respect to the enforcement or interpretation of this Agreement, the prevailing party in such controversy shall be entitled to receive, in addition to such other award as the court may deem appropriate, full reimbursement for its court costs and reasonable attorney fees incurred therein.

27. **Negation of Partnership.** This Agreement creates a relationship between two independent contractors and does not, nor may it be interpreted to, create the relationship of joint venturers, partners, employee/employer, or any other business relationship.

28. **No Assignment.** This Agreement is not assignable by either party, and any attempt by either party to assign its obligations hereunder shall be void ab initio at the election of the other party, which election may be made by written notice within ten (10) days of the non-assigning party's receipt of actual knowledge of such attempted assignment. Notwithstanding the foregoing, however, at the election of the other party, the obligations and burdens of a party shall bind and apply to any permitted successor in interest or assignee of the business and/or operations of a party.

29. **Partial Invalidity.** In the event that any portion of this Agreement or any provision hereof shall be deemed as invalid as contrary to applicable law, the balance of this Agreement shall be enforced according to its term, and that

portion found unenforceable shall be interpreted and enforced to the extent that it may be within said applicable laws.

30. Disputes. This Agreement shall be construed and all disputes arising therefrom shall be settled in accordance with the laws of the State of California. Venue for any dispute arising under this Agreement shall be in Santa Barbara, California. Any controversy or claim arising out of or relating to this Agreement shall be resolved by binding arbitration before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) then pertaining (available at www.adr.org), except where those rules conflict with this provision, in which case this provision controls. Any court with jurisdiction shall enforce this clause and enter judgment on any award. The arbitrator shall be selected within twenty business days from commencement of the arbitration from the AAA’s National Roster of Arbitrators pursuant to agreement or through selection procedures administered by the AAA. Within 45 days of initiation of arbitration, the Parties shall reach agreement upon and thereafter follow procedures, including reasonable limits on discovery, assuring that the arbitration will be concluded and the award rendered within no more than eight months from selection of the arbitrator or, failing agreement, procedures meeting such time limits will be designed by the AAA and adhered to by the Parties. The arbitration shall be held in Santa Barbara, California and the arbitrator shall apply the substantive law of California, except that the interpretation and enforcement of this arbitration provision shall be governed by the Federal Arbitration Act. Prior to commencement of arbitration, emergency relief is available from any court to avoid irreparable harm. **THE ARBITRATOR SHALL NOT AWARD EITHER PARTY PUNITIVE, EXEMPLARY, MULTIPLIED OR CONSEQUENTIAL DAMAGES.** Prior to commencement of arbitration, however, the Parties must attempt to mediate their dispute using a professional mediator from AAA, the CPR Institute for Dispute Resolution, or like organization selected by agreement or, absent agreement, through selection procedures administered by the AAA. Within a period of 45 days after the request for mediation, the Parties agree to convene with the mediator, with business representatives present, for at least one session to attempt to resolve the matter. In no event will mediation delay commencement of the arbitration for more than 45 days absent agreement of the Parties or interfere with the availability of emergency relief.

31. Prohibited Interest. The parties hereto covenant and agree that to their knowledge no board member, officer, or employee of MTD, during his/her tenure or for one year thereafter, has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of a contracting party other than MTD. If any such interest comes to the knowledge of either party at any time, a full and complete disclosure of all such information will be made in writing to the other parties, even if such interest would not be considered a conflict of interest under Article 4, Chapter 1, Divisions 4 and 4.5, Title I of the Government Code of the State of California.

32. Compliance with Laws and Regulations. Contractor shall warrant that in the performance of work under contract to MTD that they shall comply with all applicable federal, state and local laws and ordinances, and all lawful orders, rules, and regulations thereunder.

33. Audit and Inspection of Records. The Contractor shall agree that all materials supplied and services performed under the Project, facilities used in connection therewith, and records and documentation thereunto appertaining shall be subject to inspection, test, or audit by duly authorized representatives of MTD and the State of California. The Contractor agrees to maintain all required records relating to the Project for at least three years after MTD makes final payment and all other pending matters are closed.

34. Equal Employment Opportunity. The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation, and; selection for training, including apprenticeship. The Contractor shall agree to post in conspicuous places available to employees and applicants for employment notices setting forth the provisions of the above paragraph. The Contractor shall insert a similar article to the above in all subcontracts entered into in connection with the contract governing this project, except subcontracts for standard commercial supplies or raw materials.

35. Entire Agreement. This Agreement and its attached exhibits constitute the entire agreement between the parties and shall be deemed to supersede and cancel any and all previous representations, understandings, or agreements

between MTD and Contractor as to the subject matter hereof. This Agreement may only be amended by an instrument in writing signed by the parties.

36. No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect that party's right to enforce such provisions, nor shall the waiver by either party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision.

37. Counterparts & Email. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The parties agree that a scanned and emailed signature may substitute for and have the same legal effect as the original signature.

38. Qualifications. Contractor or Contractor's representative (Contractor) certifies that Contractor is qualified to do business and is in good standing in the State of California, and that Contractor has authority to enter into and perform its obligations under this Agreement, which constitutes a valid and binding obligation of Contractor.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed.

SANTA BARBARA MTD

CLEVER DEVICES

Jerry Estrada, General Manager

Francis J. Ingrassia, President

Date

Date

DRAFT

1 PRICING

1.1 CONFIDENTIAL QUOTATION

ATTN:	Bradley Davis	DATE:	November 29, 2018
COMPANY:	Santa Barbara Metropolitan Transit District (SBMTD)	FAX:	
EMAIL:		OPP ID #	OP23398139 RevG
		QR # in CRM	04734
ADDRESS:	550 Olive Street Santa Barbara, CA 93101	RE:	Santa Barbara Fleet Modem Upgrade (3G to 4G Verizon)
PHONE:	805-963-3364		

Clever Devices is pleased to submit the following quotation, subject to the terms and conditions listed below.

Item	Qty	Description	Unit Price	Extended Price
1	112	Wi-Fi Router Upgrade <u>Includes:</u> - Digi WR64 Dual Wi-Fi Router - Modem Bracket - Ethernet Cable - Patch Antenna - Antenna Ground Plate - Antenna Cable - Installation hardware kit - Year 1 hardware warranty included at no charge	\$1,887.00	\$211,344.00
2	1	Design, Configuration and Testing	\$28,546.00	\$28,546.00
3	1	Onsite Installation	\$26,040.00	\$26,040.00
4	1	Years 2-3 Hardware Warranty	\$11,530.00	\$11,530.00
Subtotal				\$277,460.00
Sales Tax on Hardware - 8.75%				\$18,492.60
Total				\$295,952.60

Note:

- PO needs to be received no later than 12/05/18 in order to meet the deadline of 04/30/19 for project completion.

Payment Milestones:

- Design, Configuration and Testing upon NTP (\$29,121.74, 9.84%)
- Wi-Fi Router Upgrade & Sales Tax upon delivery of hardware (\$229,215.29, 77.45%)
- Onsite Installation & Years 2-3 Hardware Warranty upon system acceptance (\$37,615.57, 12.71%)

1.2 CLEVER DEVICES' STANDARD TERMS AND CONDITIONS OF SALE

1.2.1 SOFTWARE LICENSE

Requirement for End-User License Agreement

- Any entity procuring Clever Devices Ltd ("Clever Devices") licensed products which is not the end-user of the licensed product ("Non End-User"), such as but not limited to an Original Equipment Manufacturer to which Clever Devices is a supplier, is obligated to provide Clever Devices with the End-User License Agreement (covering the software licenses associated with the contents of this quotation/proposal) signed by an authorized official of the End-User. Failure by a Non End-User to provide such a properly executed Clever Devices End-User License Agreement to Clever Devices shall make the Non End-User liable for any misappropriation or misuse of Clever Devices' products.

Obligations of Non End-User Procuring Entities

- Non End-Users are granted the right to install the licensed products and to test their functionality in the End-User designated space or equipment. Non End-Users do not have licenses to otherwise use or operate Clever Devices' products and no other licenses or rights to use are provided or implied by this Agreement

1.2.2 GENERAL

- All Purchase Orders must be sent to the following email address:
customerPO@cleverdevices.com
- Prices are quoted in US\$ unless otherwise specified
- Prices do not include shipping or duties, which will be added if applicable
- Unit Prices are good only for the total number of units quoted. Lesser quantities may command a higher per unit cost because of certain fixed costs contained in the quote
- Prices quoted herein are valid for ninety (90) days from the date of quotation or proposal, and are applicable to the quantities covered by this quotation; any change in quantity, delivery or elimination of one or more items may require a revision to the prices quoted
- Orders for one bus set (i.e. pilot bus) must be part of a complete quantity order or must be accompanied by a Letter of Intent to order the entire quoted quantity
- Three percent (3%) Annual Escalation will apply for shipments and services beyond 2019
- Clever Devices shall be paid for the items quoted above as follows:
 - Payment terms are Net 30 days, subject to prior approval of our Credit Department
 - Unless otherwise specified, Clever Devices shall be paid for all deliverable items, terms Net 30 days from the date of shipment from Clever Devices, or when services rendered by Clever Devices are completed
 - No customer account shall be credited for parts returned without prior written authorization from Clever Devices and receipt of such goods
 - Clever Devices' General Terms and Limits of Liability apply
- Unless specifically advised in the quote, lead time for Hardware and Services will be as advised by Clever Devices upon receipt of order. Standard lead time for hardware is sixteen (16) weeks from receipt of order, but Clever Devices stocks standard parts and if available will be shipped earlier. Delivery is F.O.B. Clever Devices Ltd., 300 Crossways Park Drive, Woodbury, NY 11797
- Clever Devices reserves the right, without advance notice, to make engineering or production changes, to include substitution of part numbers and/or vendor sources for components that may affect the design or specifications of its products, provided said modifications will not materially affect the performance of the product

- Unless negotiated and agreed to otherwise in writing, in no event is Clever Devices liable for consequential damage from late or non-delivery, malfunction or failure of its products, nor is Clever Devices liable for damage resulting from faulty installation. If Clever Devices performs repairs resulting from damage caused by installation, it will invoice the original installer for the cost of such repair

1.2.3 CLEVER DEVICES' WARRANTY POLICY

Clever Devices' warranty obligations are limited to the terms set forth below:

1) New Manufactured Products Limited Warranty

- a) Clever Devices guarantees for a period of one (1) year from original factory shipment that each product is free from defects in material and workmanship.
- b) If the product fails to operate as specified and has not been tampered with or abused during this warranty period, Clever Devices or its authorized service agents shall either repair or replace any defective part or the product free of charge. Clever Devices will supply new replacement products for items found to be defective during the original warranty period.
- c) Bench fees will apply to any product received by Clever Devices with no-trouble-found. Products returned with failures caused by improper use or installation will be repaired and the appropriate charges will apply. Such services by Clever Devices shall be the original purchaser's sole and exclusive remedy. Clever Devices shall not be responsible for the cost of removal or installation of warranted products unless a prior written agreement has been reached at the time of the original purchase contract. Clever Devices' labor rate table will apply for all product replacement time.
- d) Clever Devices will repair or replace, at Clever Devices' option, any defective product under warranty. Clever Devices will not honor credit requests on any defective used product. Product repair or replacement will be the only option available to the original Purchaser. At the discretion of Clever Devices, limited quantities of restockable, unused product may be returned for credit. The product must be unused and in the original unopened containers. A 25% restocking fee will be charged and a credit will be issued only after the product has been received and inspected.
- e) This warranty does not apply: (a) to damage caused by accident, abuse, misuse, misapplication or improper installation (b) to damage caused by conditions outside Clever Devices specifications including but not limited to vandalism, fire, water, temperature, humidity, dust or other perils (c) to damage caused by service (including upgrades) performed by anyone who is not a Clever Devices Authorized Technician (d) to a product or a part that has been modified without the written permission of Clever Devices or (e) if any of Clever Devices' serial number has been removed or defaced, or (f) expendable or consumable parts, such as batteries and flashcards.
- f) Clever Devices shall not be liable for any special, incidental or consequential damages for loss, damage directly or indirectly arising from customer's use or inability to use the equipment either separately or in combination with other equipment, or for personal injury or loss or destruction of other property, or from any other cause.

2) Warranty Repair Policy

A replacement or repaired product assumes the remaining warranty of the original product or 90 days, whichever provides longer coverage for the original purchaser. When a product is exchanged, any replacement product becomes the original purchaser's property and the replaced product becomes Clever Devices' property.

- 3) Obtaining Warranty Service
- a) The original purchaser is responsible for returning any defective products to Clever Devices after obtaining a Returned Merchandise Authorization (RMA) number from Clever Devices' Customer Service Department at 888-478-3359. No products will be accepted without an RMA number. When requesting an RMA number, be sure to have the serial number of the equipment available.
 - b) The original purchaser must package the product properly for return shipment. Clever Devices is not responsible for any damage to the product caused during transit or for any package lost by the shipping company.
 - c) The original purchaser assumes all cost in shipping the defective product to Clever Devices and Clever Devices will assume the cost in shipping back to the customer. All replacement/repaired products are shipped UPS Ground unless a rush is requested. The cost of shipping using any mode other than UPS Ground is to be paid by the original purchaser.

Ship to:

Clever Devices Ltd.
Attn: Service Department RMA # _____
300 Crossways Park Drive
Woodbury, NY 11797

1.2.4 CLEVER DEVICES' RETURN AND EXCHANGE POLICY

Clever Devices does not accept returns without a Returned Material Authorization. Custom-built equipment or merchandise specifically ordered for you is not returnable. Where return of unused merchandise is at the request or convenience of the customer, a 25% restocking fee will be charged. No unused merchandise will be accepted for return later than thirty (30) days after shipment. All returned merchandise shall be sent freight prepaid and properly insured by the customer. Clever Devices reserves the right to select the method of shipment. Should you receive merchandise damaged in shipment, it is your responsibility to file a damage claim immediately with the delivery carrier.

1.2.5 CLEVER DEVICES' NON-WARRANTY SERVICE POLICY

1) Non-Warranty Repair Policy

Non-warranty repairs made by Clever Devices carry a limited repair warranty of 90 days on services and replacement parts only. Defects in our repair work or any parts replaced will be corrected at no charge if the defect occurs within 90 days from shipment from our facility.

2) Field Service

Field service calls will be made to customer's facility upon request. Time, expenses, and materials will be charged, as outlined below, unless other arrangements are made in advance. Field Service is treated as any repair. All travel must be pre-approved and is based upon actual prevailing airfare, hotel/motel rooms and Per Diem rates. Contact Clever Devices for current Per Diem rates.

GENERAL FIELD SERVICE RATES:

Transportation	Actual cost* using commercial coach or business class air, first class rail, bus, rental car, and cab facilities as applicable, including transportation to and from the airport.
Mileage Allowance	IRS allowable rates + Clever Devices' allowable burdens.
Personal Expenses	Per Diem rates
Basic Rates	150.00** per hour for actual time in customer's plant, plus a flat rate for round-trip travel time.
Miscellaneous	Actual charges for other necessary items such as tolls, parking and freight charges*.

* Charges may be subject to a 12% administrative fee.

** Rates may vary because of weekend/holiday rates, the type of service required, a previously negotiated rate and/or personnel involved.

3) Non-Clever Devices Product Received for Repair

4) Product received for repair that were not manufactured or supplied by Clever Devices will be logged in and Clever Devices will require that the customer supply us with their shipper number in order to return the product. Such product will be held for a period of up to 90 days and will then be subject to discard, unless alternative arrangements have been agreed to in advance.

XXXXXXXXXX

Tom Smith
Strategic Account Manager
516-728-8925

am

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: November 28, 2018
Subject: General Manager's Report

Operations, Fleet & Facilities

Cruise ship visitation season this year is nearing conclusion. MTD provided extra shuttles and supervision to the most recent visit on November 26, 2018. Additional service is implemented in the downtown / waterfront corridors to mitigate the thousands of cruise ship passengers disembarking to enjoy our wonderful city and sites.

Operations will provide electric shuttles for each of the four upcoming holiday parades:

- Milpas Holiday Parade (Saturday, December 1, 2018 @ 5:30 PM)
- Carpinteria Holiday Spirit Parade (Saturday, December 8, 2018 @ 3:00 PM)
- Goleta Christmas Parade (Saturday, December 1, 2018 @ 6:00 PM)
- Downtown Santa Barbara Holiday Parade (Friday, December 7, 2018 @ 6:30 PM)

New Operators Oliver Wheeler and Carlos Guerrero successfully completed their training and licensing; they have assumed their first bid shifts. MTD also welcomes Kevin Escobar and Jose Perez, two newly hired Operators who have started their training and licensing.

Four new mechanics have been hired for the maintenance department. Larry Gomoll, Brian Schwartz, and Arturo Navarro hit the ground running. Cipriano Ocampo joined the crew November 19, 2018.

Sixteen of the seventeen 2003 Gillig buses purchased from Samtrans are now in service. Bus 438 recently completed a stay in the shop for a top half rebuild including a head replacement and injectors. Buses 410 and 431 were towed off to Ken Porter Auctions on November 19, 2018.

Bus 903 is down for major engine issues. The bus is at 450,000 miles on its original medium duty engine. It will most likely have to be replaced with a longblock, which we have in stock. A Thermo King technician from Gold Coast Transport Refrigeration was on site November 16, 2018, working on repairs and PM's of four additional buses. The technician is scheduled to be onsite November 30, 2018.

Bus 633 is down for Allison transmission premature clutch wear issues, which will require transmission replacements at intervals below 300,000 miles from new. Bus 619 has a newly installed reman transmission but it has already coded up with a pressure control solenoid code, which inhibits shifting. Valley Built Transmission has been contacted about this issue.

Staff intends to release at least one addendum to provide prospective bidders with changes and clarifications to various aspects of the bid documents for the Transit Center Renovations IFB. Bids for the project are due on December 6, 2018.

The evaluation committee for the Facilities Master Plan RFP is scheduled to convene on November 29, 2018, to finalize scoring for the proposals submitted in response to the solicitation.

The committee is comprised of internal and external transportation professionals with experience and expertise related to the RFP.

Administration

Planning and Operations staff is in active discussions with the City of Santa Barbara on the topic of a possible change in routing of the Downtown Shuttle, in order to serve the Funk Zone neighborhood. MTD staff participated in the City's Funk Zone Action Workshop held on November 27, 2018 to discuss ongoing work to address parking and circulation challenges in the popular Funk Zone area.

Staff is investigating the possibilities of a microtransit pilot somewhere in the MTD service area. Microtransit, (according to one microtransit software vendor, Transloc), is defined as a flexible and dynamic demand-driven mode of transportation services that helps optimize vehicle usage, reduce costs, and ultimately, improve the overall rider experience.

Staff forwarded a great many documents to the consultant that SBCAG hired to conduct the Triennial Performance Audits mandated by the California Transportation Development Act. The audit will take place over the next months, and the final reports are due to the State in June 2019.

Staff is preparing an application for a Sustainable Communities Competitive Grant from Caltrans to hire a consultant to prepare an updated Short Range Transit Plan (SRTP). MTD's current SRTP was completed in 2015.

Human Resources reports a very successful year with recruiting and hiring, with 13 drivers and 4 mechanics hired in 2018 to date. Several candidates are in the process for consideration driver, and HR anticipates that 3 to 5 new hires will take place before the end of the year.