

**AMENDMENT NO. 3 TO AGREEMENT BETWEEN  
THE CITY AND COUNTY OF SAN FRANCISCO  
AND VEOLIA TRANSPORTATION SERVICES INC.**

THIS AMENDMENT NO. 3 TO AGREEMENT is made and entered into this \_\_\_\_ day of May, 2012, between the City and County of San Francisco, a municipal corporation ("City"), acting through its San Francisco Municipal Transportation Agency ("SFMTA"), and Veolia Transportation Services, Inc. ("Contractor").

**RECITALS**

A. On April 1, 2010, the City entered into an agreement with Contractor to provide paratransit broker services to administer the City's Paratransit Program ("Agreement").

B. On April 1, 2010, the parties executed Amendment No. 1 to Agreement, in which the Contractor agreed to participate in the SFMTA's deficit reduction program by reducing specified Administrative Expenses under the Agreement by three percent. The Amendment also included various federally required clauses that were inadvertently omitted from the Agreement.

C. On June 1, 2011, the parties executed Amendment No. 2, which amended the Agreement to provide for the City to lease Contractor one accessible hybrid van ("hybrid van") for use in the Paratransit Program, to be used to test the hybrid technology in San Francisco's operating environment.

D. The parties wish to further amend the Agreement to provide for the City to lease 26 additional accessible vans for use in the SF Access Program. The vehicles are intended to replace 20 City-owned 2006 paratransit vehicles that have reached the end of their useful life and expand the City-owned fleet by six vehicles. Contractor intends to sublease the vehicles to companies participating in the SF Paratransit Program.

E. The parties also wish to amend the Agreement to remove from the contract DAJA, Inc., the Contractor's subcontractor that supplied eligibility and field monitoring staff, as DAJA has gone out of business. To avert any lapses in Paratransit Program services and to retain the employment of valued experienced DAJA workers, Contractor absorbed nine former DAJA, Inc. employees into its workforce, with no increase in the budget. DAJA, Inc. was a certified Small Business Enterprise (SBE) and represented approximately 18% of Contractor's SBE participation. Without the DAJA, Inc. subcontract it will not be possible for Contractor to meet the 20% SBE goal at this time, but Contractor shall make good faith efforts to contract with SBE-certified companies for any new sub-contracting opportunities that arise during the term of the contract.

F. Recognizing that Contractor has taken on additional tasks not required in the Agreement without requesting additional compensation, such as providing special shuttle service upon request for community meetings or other events, SFMTA wishes to revise the incentive/disincentive plan to make it more reasonably attainable, while remaining consistent with SFMTA's expectations and encouraging the delivery of excellent service.

IT IS MUTUALLY AGREED that all other terms and conditions of Agreement shall remain in full force and effect and that Agreement is amended to read as follows:

*1. A new Section 63.1.4(2012 Vehicle Purchase) is added to Agreement to read as follows:*

**63.1.4. 2012 Vehicle Purchase.** Through the Caltrans-approved CalAct/Morongo Basin Transit Authority (MBTA) Purchasing Cooperative, City purchased from A-Z Bus Sales, Inc., 26 Type B Short paratransit vans ("paratransit vans"), at a cost of \$2,066,773.88. Twenty of the vehicles will replace the 20 vehicles purchased in 2006.

2. *Table 1 (Subleases of City-Owned Vehicles) of Agreement is amended to read as follows:*

**Table 1: Subleases of City-Owned Vehicles**

<b>Vehicle Year</b>	<b># of Vehicles</b>	<b>Vendor</b>	<b>Vehicle Type</b>	<b>Sublease Term</b>
2006	20	El Dorado	Type II van	September 2006 - September 2011
2008	6	El Dorado	Type II van	August 2008 - August 2013
2008	5	El Dorado	Minivan	October 2008 - November 2012
2008	14	Bus West	Type II van	December 2008 - December 2013
2008	10	Bus West	Type II van	March 2009 - February 2014
2008	5	Bus West	Type III van	March 2009 - February 2014
2011	1	El Dorado	Type II hybrid van	July 2011 – July 2016
2012	26	A-Z Bus Sales	Type B Short van	June 2012 – June 2017

3. *A new subsection (d) (2012 Van Purchase) is added to Section 63.6.1 of Agreement to read as follows:*

(c) **2012 Van Purchase.** Lease payments for the twenty-six (26) vehicles shall be determined by negotiations with the selected van service provider(s), but in no event shall the monthly lease payments for the 2012 vans for the term of the Lease be less than \$1,200.

4. *Section 20. Incentives/Disincentives shall read as follows:*

**20. Incentives/Disincentives.**

By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 of this Agreement, are delayed beyond the scheduled milestones and timelines as provided in Appendix A (or as they may be adjusted by the SFMTA for reasons beyond the Contractor's control) or do not meet the goals as described in Appendix A and Appendix F, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the disincentive payments set forth in Appendix F are not a penalty, but are a reasonable estimate of the loss that City will incur based on the failure to

comply with the listed objective, established in light of the circumstances existing at the time this contract was awarded. City may deduct a sum representing the disincentive payments from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to complete the objective as described unless the SFMTA agrees to any change in the objective.


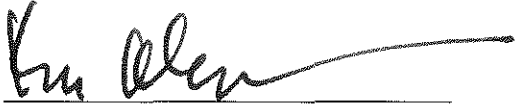
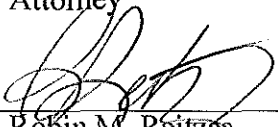
Further, in the event that Contractor meets or exceeds the goals as set forth in Appendix F, SFMTA will pay Contractor incentives as set forth in Appendix F. Total incentives paid per year shall not exceed \$50,000.

Contractor is responsible for claiming an incentive and then submitting an invoice specific to incentives with supporting documentation.

6. *Appendix B of the Agreement is deleted and replaced with the attached Appendix B.*

7. *Appendix F of the Agreement is deleted and replaced with the attached Appendix F*

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 3 on the day first mentioned above.

<p>CITY</p> <p>San Francisco Municipal Transportation Agency</p>  <p>Edward D. Reiskin Director of Transportation</p>	<p>CONTRACTOR</p>  <p>Ken Westbrook President &amp; COO Veolia Transportation Services, Inc. 720 E. Butterfield Road, Suite 300 Lombard, IL 60148-5601</p> <p>City vendor number: 81173</p>
<p>Approved as to Form:</p> <p>Dennis J. Herrera City Attorney</p> <p>By:  Robin M. Reitzes Deputy City Attorney</p>	

**Appendix B  
Calculation of Charges**

<b>Veolia Budget Summary</b>	4/1- 6/30/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
<b>DESCRIPTION</b>						
<b>ON SITE STAFF</b>						
Labor	235,735	942,939	971,227	1,000,364	1,030,375	1,061,286
Fringe						
Payroll Taxes						
FICA	19,345	77,379	79,700	82,091	84,554	87,091
SUTA	1,762	7,049	7,049	7,049	7,049	7,049
FUTA	266	1,064	1,064	1,064	1,064	1,064
401K/Retirement	8,597	34,387	35,419	36,481	37,576	38,703
Health Insurance	36,000	143,999	148,580	153,288	158,148	163,144
Dental Insurance	1,969	7,874	8,107	8,346	8,594	8,848
Vision Insurance	297	1,188	1,221	1,262	1,297	1,338
Life Insurance	68	273	280	286	293	300
STD & LTD	761	3,045	3,127	3,217	3,304	3,399
EAP	103	410	422	434	447	460
Vacation & Other Paid Time Off	27,751	111,004	114,334	117,764	121,297	124,936
GM Car Allowance, Ins., Fuel & Maint.	2,735	10,940	11,268	11,606	11,954	12,313
Workers Comp. Insurance	2,464	9,855	10,151	10,455	10,769	11,092
<b>Total Fringe</b>	<b>102,117</b>	<b>408,468</b>	<b>420,722</b>	<b>433,344</b>	<b>446,345</b>	<b>459,735</b>
<b>SUBTOTAL - ON SITE STAFF</b>	<b>\$337,852</b>	<b>\$1,351,407</b>	<b>\$1,391,949</b>	<b>\$1,433,708</b>	<b>\$1,476,720</b>	<b>\$1,521,021</b>
<b>G &amp; A (INDIRECT)</b>	<b>\$35,537</b>	<b>\$149,747</b>	<b>\$160,078</b>	<b>\$161,655</b>	<b>\$163,030</b>	<b>\$167,260</b>
Former DAJA labor costs	139,274	559,880	576,679	593,980	611,799	630,153
<b>CONTRACTED SERVICES</b>						
Center for Independent Living	3,750	15,000	15,450	15,910	16,390	16,880
Third Party Vehicle Inspection Services	4,500	18,000	18,540	19,100	19,670	20,260
In-Plant Vehicle Inspection Services	0	0	18,540	0	19,670	0
Miscellaneous Outside Services						
PCC Driver Gift Certificates	591	2,362	2,436	2,501	2,579	2,658
Passenger Transport Subscription	106	424	437	450	463	477
Aramark - bathroom air fresheners, mats	156	625	644	663	683	703
Helping Wheels account service fee	23	90	93	95	98	101

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Commuter Check administrative costs	96	385	397	408	421	433
Locksmith services	133	531	547	563	580	598
Document shredding	250	1,000	1,030	1,061	1,093	1,126
Fire extinguisher maintenance	39	158	162	167	172	177
Electrician	77	308	317	327	337	347
Muzak service	458	1,830	1,885	1,941	2,000	2,060
Petty Cash small expenses	73	293	301	310	320	329
Support van fuel	127	508	523	539	555	571
Exterminator	276	1,104	1,137	1,171	1,206	1,243
Medical Supply	326	1,303	1,342	1,382	1,424	1,466
<b>Total Miscellaneous Services</b>	<b>2,730</b>	<b>10,920</b>	<b>11,250</b>	<b>11,580</b>	<b>11,930</b>	<b>12,290</b>
Costless Maintenance Services	10,338	41,350	42,590	43,870	45,190	46,550
Nelson/Nygaard Consulting	10,000	10,000	0	0	0	0
Corey, Canapary & Galanis Research & Counsel		22,000	22,660	23,340	24,040	24,761
Lan Do & Associates Translation Services	7,200	28,800	29,664	30,554	31,471	32,415
<b>TOTAL CONTRACTED SERVICES</b>	<b>\$177,792</b>	<b>\$705,950</b>	<b>\$735,374</b>	<b>\$738,333</b>	<b>\$780,160</b>	<b>\$783,309</b>
Utilities	3,655	14,620	15,060	15,510	15,980	16,460
Telephone & Internet	11,355	45,420	46,779	48,187	49,635	51,123
<b>TOTAL UTILITIES</b>	<b>\$15,010</b>	<b>\$60,040</b>	<b>\$61,839</b>	<b>\$63,697</b>	<b>\$65,615</b>	<b>\$67,583</b>
Off site storage	2,433	9,732	10,024	10,325	10,634	10,953
Facility rent - 12th Street	61,899	247,597	255,025	262,675	270,556	278,672
Common Area Maintenance & Utilities	3,333	13,332	13,732	14,144	14,568	15,005
Facility rent - 365 Main Street	4,759	19,034	19,605	20,194	20,799	21,423
HVAC Maintenance	405	1,620	1,669	1,719	1,770	1,823
<b>TOTAL RENT</b>	<b>\$72,829</b>	<b>\$291,315</b>	<b>\$300,055</b>	<b>\$309,056</b>	<b>\$318,328</b>	<b>\$327,878</b>
SF Access Ticket printing	1,875	7,500	7,725	7,952	8,192	8,434
Newsletter	3,000	12,000	12,360	12,731	13,113	13,506
Other Misc. Printing	4,068	16,270	16,755	17,257	17,775	18,310
<b>TOTAL Printing COST</b>	<b>\$8,943</b>	<b>\$35,770</b>	<b>\$36,840</b>	<b>\$37,940</b>	<b>\$39,080</b>	<b>\$40,250</b>
Office Supplies	8,250	33,000	33,990	35,010	36,060	37,140
Postage/Shipping	6,000	24,000	24,720	25,460	26,220	27,010
Security Expense						
ADT	750	3,000	3,090	3,183	3,278	3,377
Bay Alarm	338	1,352	1,393	1,434	1,477	1,522

**Appendix B  
Calculation of Charges**

Brinks	150	600	618	637	656	675
Travel	1,750	7,000	7,210	7,426	7,649	7,879
Education & Training	1,000	4,000	4,120	4,240	4,370	4,500
Insurance - G & L Policy	1,750	7,000	7,350	7,720	8,100	8,510
Legal Expenses	3,750	15,000	15,446	15,906	16,379	16,875
Computer & Other Equipment Maint. & Service Agreements	9,193	36,770	41,718	20,765	21,768	21,058
CabConnect Hosting Expense	82,500	357,500	393,900	429,000	450,450	472,973
Trapeze Maintenance Fees	16,470	65,880	69,174	72,633	76,264	80,078
SF Tax-Fees	3,750	15,000	15,450	15,910	16,390	16,880
Performance Bond Expense	9,000	36,000	36,000	36,000	36,000	36,000
<b>TOTAL OTHER COSTS</b>	<b>\$144,651</b>	<b>\$606,102</b>	<b>\$654,178</b>	<b>\$675,323</b>	<b>\$705,062</b>	<b>\$734,476</b>
Projected Equipment Purchases	0	2,500	96,633	79,880	0	7,650
<b>TOTAL EQUIPMENT COSTS</b>	<b>\$0</b>	<b>\$2,500</b>	<b>\$96,633</b>	<b>\$79,880</b>	<b>\$0</b>	<b>\$7,650</b>
Management Fee	\$35,537	\$149,747	\$160,078	\$161,655	\$163,030	\$167,260
<b>Total Budget</b>	<b>\$828,149</b>	<b>\$3,352,578</b>	<b>\$3,597,023</b>	<b>\$3,661,246</b>	<b>\$3,711,024</b>	<b>\$3,816,686</b>
					<b>Contract Total 4/1/10 - 6/30/15</b>	<b>\$18,966,707</b>

**APPENDIX F  
INCENTIVE/DISINCENTIVE PLAN**

	<b>Activity</b>	<b>Incentive</b>
<b>1.</b>	<b>SF Paratransit Goals/Performance Measures</b> a. Complaints: less than two per 1000 trips, for each Mode b. Systemwide On Time Reliability: at or above 90% c. Safety goal: accidents/Injuries: less than 1 FTA-Defined Reportable Incident per 100,000 miles systemwide d. Telephone Call Wait Time: over 95% of all calls to the Broker's Office during business hours answered by a live person within 45 seconds	a. Complaints: \$2,500 per quarter b. On Time Reliability: \$2,500 per quarter c. Safety Goal: \$1,000 per quarter d. Call Wait Time: \$1,000 per quarter
<b>2</b>	<b>Consumer Satisfaction</b> – 90% overall customer satisfaction, as measured by an annual independent customer satisfaction survey.	<ul style="list-style-type: none"> <li>• For Broker-related aspects of the survey, if Customer Satisfaction is between 85% and 90%, \$5,000 will be paid on an annual basis.</li> <li>• For Broker-related aspects of the survey, if Customer Satisfaction is between 90.1% and 95%, \$10,000 will be paid on an annual basis.</li> <li>• If Customer Satisfaction is between 95.1% and 100%, \$15,000 will be paid on an annual basis.</li> </ul>
<b>3</b>	<b>Travel Training</b> – Shift paratransit trips to Muni fixed route service through travel training paratransit Customers. Reduce paratransit trips per paratransit Customer by an average of 10 trips per month for six months	<ul style="list-style-type: none"> <li>• \$250 per individual paratransit Customer shifted to fixed route service, determined on a bi-annual basis</li> </ul>
	<b>Activity</b>	<b>Disincentive</b>
<b>4</b>	<b>Telephone Call Wait Time</b> – over 80% of all calls to the Broker's Office during business hours shall be answered by a live person within 45 seconds.	<ul style="list-style-type: none"> <li>• \$30 assessed per verified complaint for all calls answered below the 80% threshold, determined on a monthly basis</li> </ul>
<b>5</b>	<b>Language Capacity</b> (language capability in Spanish, Chinese (Cantonese) and Russian by front line staff) – if an employee who is fluent in one of the specified languages leaves the Broker's employment, the Broker must replace the employee with an equally fluent individual within three weeks time.	<ul style="list-style-type: none"> <li>• For failure to replace such an employee, \$250 assessed per business day for each day beyond the three-week period</li> </ul>
<b>6</b>	<b>Outreach</b> – Broker shall conduct at least 20 information sessions/workshops annually.	<ul style="list-style-type: none"> <li>• \$250 assessed for each session/workshop conducted by Broker under 20 sessions a year.</li> </ul>

	<b>Activity</b>	<b>Incentive</b>
7	<b>ADA eligibility Process</b>	<ul style="list-style-type: none"> <li>• \$250 assessed per complaint against the Broker (verified to be legitimate) that is determined by the SFMTA to constitute a violation of the approved ADA eligibility process.</li> <li>• Unless assessed above, \$250 per occurrence for applications that are not processed within 21 days (regardless of whether a complaint has been filed)</li> </ul>
8	<b>Customer Service</b>	<ul style="list-style-type: none"> <li>• \$100 assessed for each complaint against the Broker (verified to be legitimate) over a total of five verified complaints a month</li> </ul>
9	<b>Processing of Complaints</b>	<ul style="list-style-type: none"> <li>• \$100 assessed per occurrence for any complaint that is not responded to within 14 days.</li> </ul>