A. G. Contract No. KR96 2371TRN
ADOT ECS File: JPA 96-157
Proj: Rural Public Transportation
Section: FY96-97 Section 18 Transit

INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE STATE OF ARIZONA
AND
PIMA COUNTY, ARIZONA
201 North Stone Avenue
Tucson, Arizona 85701

CONTRACT
NO. 01-04-A-122675-0796
AMENDMENT NO. _____
This number must appear on all invoices, correspondence, and documents pertaining to this contract

THIS AGREEMENT is entered into 14 APR, 1996, pursuant to Arizona Revised Statutes Section ~~11-952 through 11-954~~ as amended, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State") and the PIMA COUNTY, ARIZONA, acting by and through its BOARD OF SUPERVISORS (the "County").

I. RECITALS

1. The State is empowered by Arizona Revised Statutes Section 28-108 and 28-112 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has delegated to the undersigned the authority to execute this agreement on behalf of the State.

2. The County is empowered by Arizona Revised Statutes Section 11-251 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has authorized the undersigned to execute this agreement on behalf of the County.

3. The Federal Intermodal Surface Transportation Efficiency Act of 1991 has made funds available to the State to obtain and provide public transportation (Section 18 transit). The State and the County desire to define their respective responsibilities relating to the transfer of up to $153,719.00 thru the State to the County and the expenditure thereof.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

NO. 21490
FILED WITH SECRETARY OF STATE
Date Filed 04/14/97
Jesse Lee Hull
Secretary of State
By Vicky Greenwood

II. SCOPE

1. The State will:

Provide the County federal funds in the amount of up to $153,719.00, on a monthly cost reimbursement basis for activities performed relating to the Section 18 public transportation program.

2. The County will:

a. Apply funding to project work activities in strict accordance with applicable Federal and State laws, rules and regulations.

b. Conduct related work activities generally in accordance with Exhibit 1 and attachments thereto, which are incorporated herein and made a part hereof. Be responsible for all costs of the program over and above the State contribution of $153,719.00.

c. Provide the required $141,147.00 match in funds or in-kind services, and invoice the State for reimbursement no more often than monthly.

III. MISCELLANEOUS PROVISIONS

1. The only interest of the Arizona Department of Transportation in this agreement is to convey federal pass through funds for the use and benefit of the County by reason of State and Federal law under which funds for the activities are authorized to be expended.

2. This agreement shall remain in force and effect until completion of said activities and reimbursements; provided, however, that this agreement may be cancelled at any time prior to the commencement of performance, upon thirty (30) days written notice to the other party.

3. Should the work contemplated under this agreement be completed at a lower cost than the reimbursed amount, or for any other reason should any of these funds not be expended, a proportionate amount of the funds provided shall be reimbursed to the State.

4. This agreement shall become effective upon filing with the Secretary of State.

5. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511.

6. The provisions of Arizona Revised Statutes Section 35-214 are applicable to this contract.

7. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth in Arizona Revised Statutes Section 12-1518.

8. All notices or demands upon any party relating to this agreement shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Arizona Department of Transportation
Joint Project Administration
205 South 17 Avenue, Mail Drop 616E
Phoenix, AZ 85007

Pima County
County Manager
201 North Stone Avenue
Tucson, Ariozna 85701

9. Attached herto is the written determination of each party's legal counsel that the parties are authorized under the laws of this state to enter into this agreement and that the agreement is in proper form.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

PIMA COUNTY, ARIZONA

By Paul W. Gigalera
MAR 1 8 1997 Chairman
Board of Supervisors

STATE OF ARIZONA
Department of Transportation

By Jay Klagge
JAY KLAGGE, Director
Transportation Planning

ATTEST

By Lori Godoshian
~~JANE WILLIAMS~~
Clerk of the Board

619/10-12

RESOLUTION

BE IT RESOLVED on this 23rd day of October 1996, that I, the undersigned LARRY S. BONINE, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Intermodal Transportation Division, to enter into agreements with local governments, tribes and contractors for the purpose of defining responsibilities for the pass through of federal funds for the FY96-97 Section 18 Transit Program.

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Director of Transportation Planning Group for approval and execution.

Dalli D. Saxton

for LARRY S. BONINE
Director

RESOLUTION NO. 1997 -37

RESOLUTION OF PIMA COUNTY BOARD OF SUPERVISORS APPROVING AND AUTHORIZING THE EXECUTION OF THE INTERGOVERNMENTAL AGREEMENT BETWEEN PIMA COUNTY AND THE STATE OF ARIZONA, DEPARTMENT OF TRANSPORTATION (ADOT), WHICH AGREEMENT PROVIDES FOR FUNDING OF RURAL TRANSPORTATION PROGRAMS AND DEFINES THE RESPONSIBILITIES OF THE PARTIES, THROUGH THE FEDERAL SECTION 18 PROGRAM. (JPA No. 96-157).

(DISTRICT 3)

WHEREAS, Pima County has determined it to be in the best interest of the Public to enter into an Intergovernmental Agreement with ADOT for the purpose of acquiring Section 18 Federal funding through ADOT, for the purpose of providing rural transportation services in Pima County, and

WHEREAS, Pima County shall receive funding in the amount of $153,719.00 from ADOT through the Federal Section 18 Project Reimbursement Program, for services to be provided by Pima County, and

NOW, THEREFORE, UPON MOTION DULY MADE, SECONDED AND CARRIED, BE IT RESOLVED:

THAT Pima County enter into an Intergovernmental Agreement with ADOT (JPA No. 96-157) for the purpose of acquiring Section 18 Federal funding in the amount of $153,719.00, for the purpose of providing rural transportation services in Pima County, and

THAT the Chairman of this Board is hereby authorized and directed to sign the Intergovernmental Agreement with the Arizona Department of Transportation.

PASSED, ADOPTED AND APPROVED this 18th day of March 1997

PIMA COUNTY BOARD OF SUPERVISORS

Raul M. Grijalva

Chairman MAR 1 8 1997

ATTEST:

Lori Godoshian

Clerk Board of Supervisors

APPROVED AS TO FORM:

12-26-96

Deputy County Attorney

ATTORNEY APPROVAL

I have reviewed the attached agreement pursuant to A.R.S. 11-952 and declare this agreement to be in proper form and within the powers and authority granted to Pima County under the laws of the State of Arizona.

No opinion is expressed as to the authority of the remaining parties to enter into said agreement.

DATED this 26th day of December 1996

Christine Curtis

APPROVAL

The foregoing Intergovernmental Agreement by and between The Arizona Department of Transportation and Pima County; JPA 96-157, has been reviewed and is hereby approved as to content.

for Antonio C. Paez
Director
Pima County Transportation
and Flood Control District

1/14/97
Date

SCOPE OF WORK

1. The Contractor shall undertake and complete the activities as proposed in the approved application for Section 18 funds. Such activities, hereinafter called Project, shall be accomplished as described in the Project Description, Attachment A.

a. The cost of the Project is estimated as indicated in Attachment B, Project Budget. The State of Arizona assumes no financial obligation or liability hereunder.

b. The method of payment shall be reimbursement of eligible costs incurred, up to the limits described herein. In accordance with the payment and reporting schedules prescribed by this Agreement, the Contractor shall submit reports and Project billings to State for reimbursement of non-operating and operating expenses. Approved capital expenses may be billed for reimbursement as incurred. In no event shall the total amount reimbursed by State exceed the federal share approved for the project.

c. Billings for reimbursement of eligible expenses and reports of contract activities shall be submitted monthly on forms provided by State.

d. Each request for reimbursement must be accompanied by a reimbursement description which will include information to verify the reimbursement request amount. Items to be included will be date of check, check number, vendor paid, description/purpose, check amount and code which will relate to the budget line item. Reimbursement will not be processed unless all information is provided in correct form.

e. Each activity report shall include, but not be limited to, data regarding ridership, mileage, operating hours, fare recovery ratio, cost per passenger trip, cost per mile, non capital cost per service hour, passengers per service hour, passengers per mile. State may impose a penalty of a 5% reduction of total federal reimbursement per billing period for all billings or reports submitted more than 30 calendar days after the end of the billing period. An exception will be made for the final billing, which may be submitted up to 60 calendar days after the end of the final billing period, before becoming subject to the late penalty.

f. Eligible costs are those costs attributable to the Project and allowable under the approved Project budget and the provisions of:

1) Office of Management and Budget (OMB) Circular A-87, "Cost Principles Applicable to Grants and Contracts with State and Local Government."

2) OMB Circular A-102, "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments."

3) OMB Circular A-102, Attachment O, "Standards Governing State and Local Grantee Procurement."

4) OMB Circular A-128, "Audit Requirements."

g. All costs charged to the Project shall be supported by properly executed payrolls, time records, invoices, vouchers, warrants, and any other support evidencing that those costs were specifically incurred in the performance of the Project.

h. The Federal share payable for Project Budget expenses shall be subject to the following limits:

1) Capital expenses shall not exceed 80% of the net cost.

2) Administrative expenses shall not exceed 50% of the net cost.

3) Operating expenses shall not exceed 50% of the net operating costs or deficit.

4) Anti-drug compliance costs shall not exceed 80% of the net cost.

5) Training costs shall not exceed 100% of the net cost.

i. At least half of the Contractor's share for all expenses must be provided from sources other than Federal funds or from approved in-kind expenses. The remaining half of the Contractor's share may be made up of unrestricted funds from other Federal programs as described in Attachment B, Project Budget.

j. All donation and advertising revenues received in excess of the budgeted local match shall be used to reduce the federal share of the Project budget.

k. Lien on Project Equipment - To the extent of financial assistance provided, State shall hold a first lien on all capital equipment acquired under this Agreement in the amount of the federal share of the equipment cost. State shall also hold a first lien on any computer hardware, software or office equipment provided to the Contractor and paid for by State.

2. Use and Disposal of Project Equipment

a. Contractor shall observe the property management standards as set forth in OMB Circular A-102, Attachment N. The Contractor further agrees that the Project equipment shall be used for the provision of transportation service within the described service area and in the manner described in Attachment A, Project Description. If, at any time, the contract with State for the described service is terminated or Project equipment is not used in this manner, or is withdrawn from transportation service whether by planned withdrawal or casualty loss, the Contractor shall notify State within 72 hours of such event, and shall remit to State a proportional amount of the fair market value, if any, of the property, which shall be determined on the basis of the ratio of federal financial assistance to the actual cost of the equipment. Fair market value shall be deemed to be the value of the property as determined by competent appraisal at the time of such misuse or withdrawal from use, and as approved by State. In the event of loss due to theft, casualty or fire, the damages paid by the insurance carrier or payable from a self-insured reserve account shall be considered fair market value. In no event is salvage value to be considered fair market value. Upon State's receipt and approval of said payment, State's lien shall be released.

b. Records

1) The Contractor shall keep satisfactory records with regard to the use of equipment purchased under this contract and shall submit to State upon request such information as is required in order to assure compliance with this clause. The Contractor shall submit to State during the period of required use of Project equipment, a certification that the equipment is still being used in accordance with the terms of this Agreement.

2) Project vehicles may not be used for non-Project purposes.

c. The Project equipment shall at all times be operated in a safe, prudent, lawful manner and within the limitations established by the manufacturer. The Contractor shall maintain the Project equipment in safe and mechanically sound condition and shall keep accurate records of such maintenance. The State shall have the right to conduct periodic inspections of Contractor's records and the Project equipment to verify compliance with this requirement.

d. The Contractor agrees to conduct a persistent and visible promotional program in order to insure that all facets of the service are known by and available to the general public, and in order to increase ridership on all trips. The Contractor shall provide State with copies or samples of promotional materials used. The Contractor shall submit to State on an annual basis, a plan describing marketing activities including, but not limited to, the following:

e. As part of the annual marketing plan, the Contractor is required to conduct formal and/or informal market analysis to determine what improvements can be made to the Project to better serve the general public.

f. The Contractor shall display, in a manner acceptable to State, a decal or similar sign on the exterior of the Project vehicles indicating that this device is open to the general public.

g. Changes to fares, routes, schedules, and the schedule of activities in Attachment A, Project Description, may be made with prior written approval from State without requiring a written amendment to this agreement.

h. Changes to budget line items may be made in accordance with the following rules:

1) Changes in and between operating and administration budget line items that are not in excess of 5% of the total Project cost, may be made with State's prior written approval.

2) Administrative funds may be rebudgeted for operating expenses with State's prior written approval. Operating funds shall not be reprogrammed for administrative expenses.

3) The capital contingency line item shall be used only for cost overruns of capital line items named in the Project budget.

4) No anti-drug compliance cost line items shall be reprogrammed for other expenses.

5) No training funds shall be reprogrammed for other expenses.

i. All other changes mutually agreed upon shall be incorporated by written amendments to this Agreement.

j. The Contractor **shall furnish certificates to State** showing motor vehicle liability insurance in force for the use of Project equipment for the following minimum amounts:

1) Collision and Comprehensive Insurance - (as applicable).

2) Personal Injury, Medical, and Uninsured Motorist - $300,000.

3) Public Liability and Property Damage - $1,000,000.

Insurance Certificates **shall name the State as additional insured**. If the State holds liens on any Project equipment, insurance certificates shall also name State as loss payee. Insurance policies shall be occurrence form unless otherwise approved in writing by State. Such certificates are to be delivered to State concurrently with execution of this contract.

3. Procurement Requirements

a. The Contractor shall make purchases of any equipment, materials or services for the Project in compliance with the following:

1) Federal Management Circular A-87.

2) OMB Circular A-102, Attachment O.

3) UMTA Circular 7010.1, Capital Cost of Contracting.

4) Title 49, Code of Federal Regulations, Part 660, "Buy America Requirements."

5) Title 49, CFR Part 23, "Participation by Minority Business Enterprise in Department of Transportation Programs", as amended.

6) UMTA Circular 4716.1, the UMTA Disadvantaged Business Enterprise Women Business Enterprise requirements for Recipients and Transit Vehicle Manufacturers.

7) State "DBE" Program Plan.

8) UMTA Order 4220.1A, "Third-Party Contracting Guidelines" dated 6-8-82.

9) State "Section 18 Required Purchasing Procedures."

b. The Contractor shall submit its bid specifications to State for approval prior to release of the specifications to possible bidders. State shall concur in the bid award prior to any agreement or contract being executed for the purchase of services or capital equipment for the Project exceeding $5,000.

OTHER PROVISIONS

1. Retention of Records, Audit, and Reimbursement for Audit Exceptions.

a. The Contractor, and any subcontractor, shall retain all books, accounts, reports, files and other records relating to this contract for a period of five years from completion of the contract. Such records shall be subject to audit and inspection at any reasonable time during the term of the contract or within five years after completion thereof, as provided by ARS Section 35-214.

b. The final audit of this Project will be conducted pursuant to OMB Circular A-128, the "Guidelines for Financial and Compliance Audits of Federally Assisted Programs," and

generally accepted auditing standards established by the American Institute of Certified Public Accountants. The Contractor also agrees to provide State with a copy of the final audit report.

c. The Contractor agrees to reimburse State for any expenditure under this Agreement for which it received payment or reimbursement, as applicable, which is disallowed by an audit exception by State, the State or federal government.

d. If federal or state audit exceptions are made relating to this contract, the Contractor shall reimburse all costs incurred by the State of Arizona and State associated with defending against the audit exceptions or performing an audit or follow-up audit including but not limited to: audit fees, court costs, attorney fees based upon a reasonable hourly amount for the Assistant Attorney General based upon reasonable charges in the community, travel costs, penalty assessments, and all other costs of whatever nature.

e. Immediately upon notification from State, the Contractor shall reimburse the amount of the audit exception and any related costs directly to the appropriate Federal agency or State as specified by State in the notification. The Contractor shall indemnify the State and hold them, their officers, agents, and employees harmless against any and all liability or damages in regard to audit exceptions.

f. The Single Audit Act requires: Audits shall be made annually unless the state or local government has a constitutional statutory requirement for less frequent audits. State and local governments that receive between $25,000 and $100,000 a year shall have an audit made (IAW Circular A-128 or A-133). The audit shall cover the entire operations of the state or local government.

The auditor shall determine whether (1) the financial statements of the government department, agency or establishment present fairly its financial position and results of its financial operations IAW generally accepted accounting principles; (2) the organization has internal accounting and other control systems to provide reasonable assurance that it is managing Federal financial assistance programs IAW applicable laws and regulations; and (3) The organization has complied with laws and regulations.

2. If, during the course of this Agreement, situations arise which prevent its completion within the time allotted, an extension of the contract time may be granted by mutual agreeement of the parties hereto.

3. If this contract is terminated, Contractor will be compensated for work performed up to the effective date of termination.

4. Failure to perform any and all of the terms and conditions of this contract, including the schedule of work, shall be deemed a substantial breach thereof. The State shall give the Contractor written notice thereof. After receipt of such notice, the Contractor shall have five working days in which to respond. In the event the Contractor does not cure such failure to the satisfaction of State, the State may terminate this Contract without further consideration by so notifying the Contractor in writing. In the event of cancellation of this Contract, Contractor shall not be entitled to damages and agrees not to sue State for damages therefor. After notice of cancellation, Contractor agrees to perform the terms and conditions of this contract up to and including the date of cancellation, as though no cancellation had been made.

5. Subcontracts

a. The Contractor shall not assign any portion of the work to be performed under this Agreement, or execute any contract, amendment or change order thereto, or obligate itself in any manner with any third party with respect to its rights and responsibilities under this Agreement without the prior written concurrence of State.

b. Should subcontractors be authorized by State, the subcontractors will be subject to all provisions of this Agreement. It will be the Contractor's responsibility to duly inform the subcontractors by means of a contract or other legally binding document stipulating the subcontractors responsibility to comply with this Agreement.

6. The Contractor hereby agrees to indemnify, defend and save harmless the State, any of its departments, divisions, agencies, officers or employees from all sums which the State, any of its departments, divisions, agencies, officers or employees may be obligated to pay by reason of any liability imposed upon any of the above for damages arising out of the performance of the Project or this Agreement, or caused by any error, negligence, omission or act of the Contractor or any person employed by him, or others for whose acts the Contractor is legally liable. In the event of any legal action, the above sums shall include, but not be limited to court costs, expenses of litigation and reasonable attorney's fees.

7. It is not the intent of this Agreement to place the State in the role of guarantor for protections in instances where a legally and financially responsible Contractor defaults on its obligations. The State enters into this Agreement to absolve itself of financial liability for the terms and conditions of the Section 13(c) Special Warranty, included herein by reference, assigning liability to the Contractor through this Agreement between the State and Contractor. The Contractor agrees to assume said liability and agrees that the terms and conditions of the Section 13(c) Special Warranty shall apply for the protection of the transportation related employees of any employer providing transportation services assisted by the Project, and transportation related employees of any other surface public transportation providers in the transportation service area of the Project. An appeal under Section 13(c) shall not void or suspend the terms of this Agreement.

8. No member of the Arizona Legislature nor any member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom. The provisions of this clause shall be extended to all public employees, officers, or tribal council members.

9. The Contractor shall comply with all federal, state and local laws, ordinances, rules and regulations applicable to the performance of this contract and the work hereunder.

10. The Contractor shall comply with all applicable requirements of the following regulations relative to nondiscrimination:

a. Title VI of the 1964 Civil Rights Act.

b. Executive Order 83-5 issued by Governor Babbitt.

c. 49 CFR Part 23, "Participation by Minority Business Enterprises in Department of Transportation Programs."

d. 49 CFR Part 23, 45 CFR 45281 (7/3/80), "Guidance for Implementing DOT Rules Creating a Minority Business Enterprises Program in DOT Financial Assistance Programs."

e. 9 CFR Part 23, 48 CFR 141 (7/21/83), "Participation by Minority Business Enterprises in Department of Transportation Programs."

f. 49 CFR 27, Parts 37 and 38 Transportation for Individuals with Disabilities; Final Rule.

g. 49 CFR 21, "Nondiscrimination in Federally Assisted Programs of the Department of Labor Regulations (41 CFR Part 60).

11. The Contractor agrees to comply with State's "Program Plan for Participation of Disadvantaged Business Enterprises."

12. Other Regulations

a. The Contractor shall address the needs of the elderly and handicapped persons, pursuant to Section 504 of the Rehabilitation Act of 1973 (20 USC 794).

b.The Contractor shall comply, as applicable, with the labor protection provisions of Section 13(c) of the Urban Mass Transportation Act of 1964, as amended.

c. The Contractor shall comply, as applicable, with the Guidelines relative to charter bus and school bus operations.

ATTACHMENT A

PIMA COUNTY DEPARTMENT OF TRANSPORTATION

SECTION 1. **SERVICE AREA**

There shall be two service areas, known as the Marana service area and the Ajo service area.

a. The Ajo service area shall consist of services within the community of Ajo (within a six mile radius of Ajo Highway-SR 86 and Well Road) and regional service between Ajo and Tucson. Service hours and schedules will be as described in the application for funding.

b. The Marana service area shall consist of service within the town of Marana and surrounding communities. The service will operate as fixed route community circulator, and regional service between Marana and Tucson. Service hours and schedules will be as described in the application for funding.

c. The San Xavier service area shall consist of service between the San Xavier Mission complex and surrounding residential areas of the San Xavier District of the Tohono O'Odham Nation and the Laos Transit Center on Irvington Road in Tucson, where it interfaces with the urban transit system, Sun Tran. Service hours and schedules will be as described in the application for funding.

d. The Tucson Estates service area shall consist of service between the far-southwest areas of Tucson, which include the Tucson Estates and Branding Iron Park subdivisions, and the Laos Transit Center on Irvington Road in Tucson, where the route interfaces with the urban transit system, Sun Tran. Service hours and schedules will be as described in the application for funding.

SECTION 2. **PROJECT SUMMARY**

MARANA Pima County Rural Transit service is a contractor operated community transit system providing wheelchair accessible public transportation. The service consists of a fixed route, fixed schedule community circulator with route deviations available on a prior reservation basis to serve the elderly and persons with disabilities. The Marana service will provides four round trips per day on weekdays,
beginning in the residential areas in unincorporated Pima County west of the town of Marana, then into the town of Marana and community of Rillito, and continuing south Interstate 10 to Ina Road and providing access to the commercial areas along Ina Road, Thornydale Road. This route also provide access to metropolian Tucson via continuation service on the urban transit system, Sun Tran, which has three routes that operate along Ina Road and provide servie into Tucson.

AJO Pima County Rural Transit service is a contractor operated community transit system providing wheelchair accessible public transportation. The service consists of a demand responsive public transportation service within the community of Ajo five days a week and regional intercity bus service three days a week, providing public transportation from Ajo and the intervening communities to the City of Tucson.

San Xavier Pima County Rural Transit service a contractor operated community transit system providing wheelchair accessible public transportation. The San Xavier service operates as a fixed route fixed schedule access service, provideing 10 round trips per day on weekdays and 9 round trips per day on Saturday. The route begins at the San Xavier Mission complex and loops throuth the residential area south of the complex and enters the metropolitan Tucson ares along Valencia road, providing access to the heavily developed commercial corridor along Valencia Road. The San Xavier route proceeds east to 12th Avenue, then north to Irvington Road and Road and the Laos Transit Center, where riders can transfer to any of the Sun Tran routes.

TUCSON ESTATES Pima County Rural Transit service is a contractor operated community transit system providing wheelchair accessible public transportration. The Tucson Estates service operates as a fixed route, fixed schedule access service, providing 8 round trips per day on weekdays. The route begins at Laos Transit Center on Irvington Road in Tucson and continues west on Irvington road to Camino De Oeste. The route then continue northwesterly on Kinney Road and serves the Tucson Estates Area, then continues south on Camino Verde to serve the Branding Iron Park area. The route then continues along Irvington Road back to the Laos Transit, serving pockets of residential development along the way. At the Laos Transit Center, riders can transfer to any of the Sun Tran routes.

SECTION 3. **ROUTES AND SCHEDULES**

As described in the approved application for funding, Pima County, in cooperation with the operator and the local community, and in consultation with ADOT intends to adjust routes and schedules in order to improve ridership, effectiveness and attractiveness of the transportation services provided by Pima County Rural Transit.

SECTION 4. **FARES**

a. Ajo Service Area:

Within the community of Ajo	$ .75 one way
Ajo - Sells	$4.00 one way
Ajo - Tucson	$7.50 one way
Ajo - Why	$1.00 one way

b. Marana Service Area:

Within the service area west of Rillito	$ .75 one way
From the service area to Ina/Thornydale	$1.00 one way

c. San Xavier Service Area:

San Xavier - Tucson	$ .75 one way

d. Tucson Estates Servie Area.

Tucson Estates - Tucson	$.75 one way

Pima County, in cooperation with the operator and the local community, and in consultation with ADOT may adjust the fares to improve effectiveness and attractiveness of the transportation services privided by Pima County Rural Transit.

The Project must collect a fare recovery ratio of 17% for demand responsive service and 22% for fixed route service, of the combined administrative and operating costs of the Project or agree to make up the fare deficit from local funds. If, however, the contractor cannot make up the difference from local funds and or, if the contractor has not performed with contract schedule of activities, ADOT may deduct the difference from the operating and or administrative Federal Share.

SECTION 5. COST ALLOCATION

Since the Project vehicles may also be used for non-Project purposes, the contractor agrees to keep accurate mileage logs to distinguish between PROJECT and non PROJECT mileage. ADOT will reimburse vehicle related operating costs in proportion not to exceed the number of actually driven Project miles as a percentage of the total miles.

SECTION 6. EQUIPMENT AND MAINTENANCE

The service will utilize existing contractor fleet to implement the PROJECT. The Contractor will provide necessary back-up vehicles to continue scheduled service when any of the project vehicles mentioned above are unavailable for whatever reason.

SECTION 7. PRIVATIZATION OF SERVICE

The County has issued a Request for Proposals (RFP) soliciting the interest of a private vendor to operate the service. If the County elects to change operators, or to operate the system in-house, prior concurrence of ADOT shall be sought.

SECTION 8. **SCHEDULE OF ACTIVITIES**

The Contractor agrees to complete the following activities. Reports documenting the completion of these activities shall be submitted to ADOT by the dates shown below. ADOT may withhold reimbursements for expenses if the schedule is not met by the contractor.

ACTIVITY	DEADLINE FOR SUBMISSION TO ADOT
1. Minutes of Transit Advisory Committee	January 1, 1997 April 1, 1997 July 1, 1997 September 1, 1997
2. Annual Disadvantage Business Enterprise Report (DBE)	May 1, 1997
3. Three Year Transit Plan including markenting elements.	Draft April 1, 1997 Final, June 1, 1997
4. Private Sector Policies/ Procedures	March 1, 1997

ATTACHMENT B

PIMA COUNTY DEPARTMENT OF TRANSPORTATION

ADMINISTRATIVE BUDGET

THE PIMA COUNTY DEPARTMENT OF TRANSPORTATION INTENDS TO ABSORB THE ADMINISTRATIVE COST OF THE 5311 Program (Section 18)IN THE DEPARTMENT OPERATING BUDGET FOR FISCAL YEAR FY 1996-97.

DURING THE COURSE OF THE YEAR THE DEPARTMENT WILL TRACK EXPENSES AND PERSONNEL HOURS TO ARRIVE AT A VALUE FOR USE IN ESTIMATING IN-KIND SERVICE VALUE FOR SUBSEQUENT YEARS. PIMA COUNTY DOES NOT INTEND TO MAKE USE OF THE FEDERAL GRANT FUNDS FOR ADMINISTRATIVE EXPENSES GIVEN THE CURRENT LEVEL OF PROGRAM FUNDING.

ATTACHMENT B

PIMA COUNTY DEPARTMENT OF TRANSPORTATION

AJO INTRA COMMUNITY SERVICE
(Demand Response)
F/Y 96-97

	Operating	Admin	Anti-Drug Compliance	Total
Fare Revenues	4,790			4,790
Fare Differential	7,919			7,919
Local Share	31,024	384	40	31,448
Federal Share	31,023	1,532	160	32,715
TOTAL	74,756	1,916	200	76,872

PERFORMANCE STANDARDS

Farebox recovery ratio	6.2%
Minimum Fare Recovery Ratio	17%
Cost per passenger trip	11.83
Cost per mile	5.77
Cost per vehicle service hour	31.36
Federal Share of Non-Capital costs	32,141
Federal cost per passenger trip	4.94
Federal cost per mile	2.42
Federal cost per vehicle service hour	13.11

ATTACHMENT B

PIMA COUNTY DEPARTMENT OF TRANSPORTATION

(Ajo Intercity service)
(Ajo-Tucson Fixed Route)
F/Y 96-97

	Oper	Admin	Anti-Drug Compliance	Total
Fare Revenues	11,799			11,799
Local Share	19,958	383	60	20,401
Federal Share	19,958	1,533	240	21,731
Total	51,715	1,916	300	53,931

The fare differential represents fares collected in excess of the 22% fare recovery required by ADOT. These revenues will be used to reduce local operating expenses.

PERFORMANCE STANDARDS:

Minumun farebox recovery ratio	22%
Cost per passenger trip	16.00
Cost per mile	1.10
Cost per vehicle service hour	53.19
Federal Share of non-capital costs	21,366
Federal cost per passenger trip	6.34
Federal cost per mile	.44
Federal cost per vehicle service hr.	21.07

ATTACHMENT B

MARANA SERVICE AREA
FIXED ROUTE SERVICE
F/Y 96-97

	Operating	Admin	Anti-Drug Compliance	Total
Fare Revenues	8,080			8,080
Fare Differenrtial	11,779			11,779
Local Share	35,206	766	100	36,072
Federal Share	35,205	3,065	400	38,670
TOTAL	90,270	3,831	500	94,601

The fare differential is to be paid with local funds in accordance with ADOT's requirement to maintain a 22% fare recovery ratio.

PERFORMANCE STANDARDS

Minimum farebox recovery ratio	22%
Cost per passenger trip	10.64
Cost per mile	1.18
Cost per vehicle service hr.	30.92
Federal Share of Non-Capital costs	37,520
Federal cost per passenger trip	4.22
Federal cost per mile	.47
Federal cost per vehicle service hr.	12.26

ATTACHMENT B

SAN XAVIER SERVICE AREA
FIXED ROUTE SERVICE
F/Y 96-97

	Operating	Admin	Anti-Drug Compliance	Total
Fare Revenue	5,635			5,635
Fare Differential	10,574			10,574
Local Share	28,736	766	140	29,642
Federal Share	28,735	3,065	560	32,360
TOTAL	73,680	3,831	700	78,211

The fare differential is to be paid with local funds in accordance with ADOT's requirements to maintain a 22% fare recovery ratio.

PERFORMANCE STANDARDS

Minimum farebox recovery ratio	22%
Cost per passenger trip	5.62
Cost per mile	1.24
Cost per vehicle service hour	25.48
Federal Share of non-capital costs	31,210
Federal cost per passenger trip	2.24
Federal cost per mile	0.50
Federal cost per vehicle service hour	10.17

ATTACHMENT B

TUCSON ESTATES SERVICE AREA
FIXED ROUTE SERVICE
FY 96/97

	Operating	Admin	Anti-Drug Compliance	Total
Fare Revenue	1,740			1,740
Fare Differential	11,064			11,064
Local Share	22,698	766	120	23,584
Federal Share	22,698	3,065	480	26.243
Total	58,200	3,831	600	62,631

The fare differential is to be paid with local funds in accordance with ADOT's requirements to maintain a 22% fare recovery ratio.

PERFORMANCE STANDARDS

Mimimum farebox recovery ratio	22%
Cost per passenger trip	4.82
Cost per mile	1.02
Cost per vehicle service hour	25.83
Federal share of non-capital costs	25,093
Federal cost per passenger trip	1.93
Federal cost per mile	.41
Federal cost per vehicle service hour	10.34

ATTACHMENT B

COMBINED BUDGET SUMMARY
(All Service Areas)
AJO : MARANA : San Xavier : TUCSON ESTATES
F/Y 96-97

	Cap	Oper	Admin	Drug Testing	Trng	Total
Fare Revenues	xxx	32,044				32,044
Fare Diff		41,336				41,336
Local Share	xxx	137,622	3,065	460		141,147
Federal Share	xxx	137,619	12,260	1,840	2,000	153,719
TOTAL	xxx	348,621	15,325	2,300	2,000	368,246

SECTION 8. **SCHEDULE OF ACTIVITIES**

The Contractor agrees to complete the following activities. Reports documenting the completion of these activities shall be submitted to ADOT by the dates shown below. ADOT may withhold reimbursements for expenses if the schedule is not met by the contractor.

ACTIVITY	DEADLINE FOR SUBMISSION TO ADOT
1. Minutes of Transit Advisory Committee	January 1, 1997 April 1, 1997 July 1, 1997 September 1, 1997
2. Annual Disadvantage Business Enterprise Report (DBE)	May 1, 1997
3. Three Year Transit Plan including markenting elements.	Draft April 1, 1997 Final, June 1, 1997
4. Private Sector Policies/ Procedures	March 1, 1997

ATTACHMENT B

PIMA COUNTY DEPARTMENT OF TRANSPORTATION

ADMINISTRATIVE BUDGET

THE PIMA COUNTY DEPARTMENT OF TRANSPORTATION INTENDS TO ABSORB THE ADMINISTRATIVE COST OF THE 5311 Program (Section 18) IN THE DEPARTMENT OPERATING BUDGET FOR FISCAL YEAR FY 1996-97.

DURING THE COURSE OF THE YEAR THE DEPARTMENT WILL TRACK EXPENSES AND PERSONNEL HOURS TO ARRIVE AT A VALUE FOR USE IN ESTIMATING IN-KIND SERVICE VALUE FOR SUBSEQUENT YEARS. PIMA COUNTY DOES NOT INTEND TO MAKE USE OF THE FEDERAL GRANT FUNDS FOR ADMINISTRATIVE EXPENSES GIVEN THE CURRENT LEVEL OF PROGRAM FUNDING.

ATTACHMENT B

PIMA COUNTY DEPARTMENT OF TRANSPORTATION

AJO INTRA COMMUNITY SERVICE
(Demand Response)
F/Y 96-97

	Operating	Admin	Anti-Drug Compliance	Total
Fare Revenues	4,790			4,790
Fare Differential	7,919			7,919
Local Share	31,024	384	40	31,448
Federal Share	31,023	1,532	160	32,715
TOTAL	74,756	1,916	200	76,872

PERFORMANCE STANDARDS

Farebox recovery ratio	6.2%
Minimum Fare Recovery Ratio	17%
Cost per passenger trip	11.83
Cost per mile	5.77
Cost per vehicle service hour	31.36
Federal Share of Non-Capital costs	32,141
Federal cost per passenger trip	4.94
Federal cost per mile	2.42
Federal cost per vehicle service hour	13.11

ATTACHMENT B

PIMA COUNTY DEPARTMENT OF TRANSPORTATION

(Ajo Intercity service)
(Ajo-Tucson Fixed Route)
F/Y 96-97

	Oper	Admin	Anti-Drug Compliance	Total
Fare Revenues	11,799			11,799
Local Share	19,958	383	60	20,401
Federal Share	19,958	1,533	240	21,731
Total	51,715	1,916	300	53,931

The fare differential represents fares collected in excess of the 22% fare recovery required by ADOT. These revenues will be used to reduce local operating expenses.

PERFORMANCE STANDARDS:

Minumun farebox recovery ratio	22%
Cost per passenger trip	16.00
Cost per mile	1.10
Cost per vehicle service hour	53.19
Federal Share of non-capital costs	21,366
Federal cost per passenger trip	6.34
Federal cost per mile	.44
Federal cost per vehicle service hr.	21.07

ATTACHMENT B

MARANA SERVICE AREA
FIXED ROUTE SERVICE
F/Y 96-97

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FIXED ROUTE SERVICE
F/Y 96-97

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FIXED ROUTE SERVICE
FY 96/97

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TOTAL	xxx	348,621	15,325	2,300	2,000	368,246

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GRANT WOODS
ATTORNEY GENERAL

INTERGOVERNMENTAL AGREEMENT DETERMINATION

A.G. Contract No. KR96-2371TRN, an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952, as amended, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining parties, other than the State or its agencies, to enter into said agreement.

DATED April 8, 1997.

GRANT WOODS
Attorney General

JAMES R. REDPATH
Assistant Attorney General
Transportation Section

JRR:et/4651