

ORDINANCE NO. 1210

AN ORDINANCE AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH OREGON HOUSING AND ASSOCIATED SERVICES, INC., dba WHEELS COMMUNITY TRANSPORTATION OF SALEM, OREGON FOR PROVIDING TRANSIT OPERATIONS FOR THE CANBY TRANSIT SYSTEM; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Canby Transit and General Services Director heretofore requested proposals from transit consultants for providing Transit Operations for the Canby Transit System; and

WHEREAS, the Canby Transit and General Services Director received proposals from one (1) potential consultant and one (1) no bid from Laidlaw, Inc. as follows:

| <u>Provider</u> | <u>Address</u> |
|------------------------------------|-------------------|
| 1. Wheels Community Transportation | Salem, Oregon |
| 2. Laidlaw, Inc. | Overland Park, KS |

WHEREAS, the Canby City Council, acting as the City's Contract Review Board, met on June 7, 2006, and considered the quotations and the report and recommendation of the City Transit and General Services Director; and

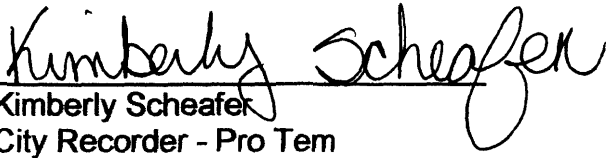
WHEREAS, the Canby City Council determined that the proposal for Transit Operations that best meets the needs of the Canby Transit System was that of Oregon Housing and Associated Services, Inc., dba Wheels Community Transportation of Salem; now therefore

THE CITY OF CANBY ORDAINS AS FOLLOWS:

Section 1. The Mayor and the City Administrator are hereby authorized and directed to make, execute and declare in the name of the City of Canby and on its behalf, an appropriate contract with Oregon Housing and Associated Services, Inc., dba Wheels Community Transportation of Salem, Oregon to provide transit operations for the City's Transit System. A copy of said contract is attached hereto as Exhibit "A" and by this reference incorporated herein.

Section 2. In so much as it is in the best interest of the citizens of the City of Canby, Oregon to implement this ordinance in order to be able to provide its transit service to local citizens without further delay, an emergency is hereby declared to exist and this ordinance shall therefore take effect immediately upon its enactment after final reading.

SUBMITTED to the Canby City Council and read the first time at a regular meeting thereof on Wednesday, June 7, 2006, and ordered posted in three (3) public and conspicuous places in the City of Canby as specified in the Canby City Charter and to come before the City Council for final reading and action at a regular meeting thereof on Wednesday, June 21, 2006 commencing at the hour of 7:30 P.M. in the Council Meeting Chambers at Canby City Hall in Canby, Oregon.

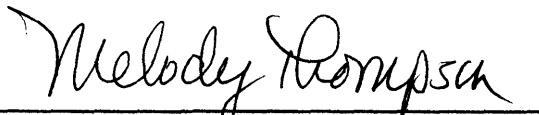


Kimberly Scheafer
City Recorder - Pro Tem

PASSED on second and final reading by the Canby City Council at a regular meeting thereof on the 21st day of June 2006, by the following vote:

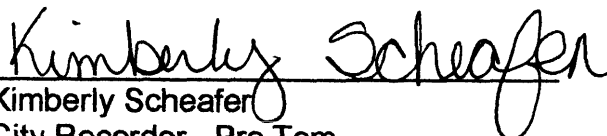
YEAS 5

NAYS 0



Melody Thompson
Mayor

ATTEST:



Kimberly Scheafer
City Recorder - Pro Tem

ATTACHMENT A TRANSIT CONTRACT

THIS CONTRACT is effective as of the 1st day of July, 2006, by and between the CITY OF CANBY hereinafter referred to as "City", and Oregon Housing and Associated Services, Inc (OHAS) dba Wheels Community Transportation hereinafter known as "Contractor," and collectively referred to herein as the "Parties".

WITNESSETH THAT:

WHEREAS, City is authorized by the Oregon Revised Statutes to furnish and operate public transportation services, and to enter into a contract with an operator to provide such services and City determined such public transportation services were in the best interest of the residents of Canby, and has exercised its authority within its boundaries to furnish such services; and

WHEREAS, City issued its Request For Proposals (RFP) dated March 2006, to provide such services, and Contractor submitted its Proposal dated April 12, 2006 in response thereto. Following evaluation by the City and its selection committee, Contractor (OHAS) was chosen to be the most efficient and reliable among the field of qualified competitors to be awarded the City's Transit Contract; and

WHEREAS, the Parties entered into a Transit Contract Agreement dated July 1, 2006, with an initial contract term of two (2) years, running from July 1, 2006 to June 30, 2008 with an option of three (3) one year extensions beginning July 1, 2008 to June 30, 2009, July 1, 2009 to June 30, 2010, and July 1, 2010 to June 30, 2011.

NOW, THEREFORE, the Parties hereto do mutually agree as follows:

This Transit Contract relies heavily on the published RFP by the City in March, 2006; (1) Service requested by the City. (2) Contractor's Proposal for services requested by the City i.e. Fixed Route, Dial-A-Ride, and Paratransit Services. The order of precedence of documents shall be (First) this Contract; (Second) the Proposal; and (Third) the RFP. Written modifications and amendments signed by both parties will take precedence over the affected sections of the documents listed above. Whenever any conflict appears in any portions of this Contract, it shall be resolved by application of the order of precedence. All Contract documents are incorporated herein by reference and made a part hereof.

ARTICLE 1. CONTRACTOR WILL:

- A. Supervise, recruit, hire, promote and manage qualified personnel, including but not limited to drivers, dispatchers, and office clerks, to provide City of Canby Transit Services as agreed to in this Contract.
- B. Provide the administrative and related services identified in the Scope of Services.
- C. Obtain, at its sole expense, the insurance required in Article 15. Insurance, and shall not commence work until such insurance is in effect and certification thereof has been received by the City's Transit and General Services Director.
- D. Contractor will be responsible for daily inspection of vehicles for cleanliness and mechanical condition.

ARTICLE 2. CITY WILL:

- A. Provide a sufficient number of City-owned vehicles for use by Contractor to provide these services.
- B. Purchase all motor fuels; purchase vehicle insurance, provide all vehicle maintenance and repairs as necessary, pay for oil changes, oil filter type services, lights: interior and exterior replacements, tires, brakes and towing etc.

ARTICLE 3. SCOPE OF SERVICES

Contractor shall furnish City with all of the services and materials, and perform any and all other work, as set forth in this Scope of Services.

A. CAT (Canby Area Transit) – Fixed Route Service

Definition of Service and Service Boundaries. A Fixed Route Bus Service is a public transportation service that follows a regular, defined bus route and schedule. CAT operates on a fixed route and schedule between Canby and the Oregon City Transit Center.

Service Hours. Contractor shall provide up to but not limited to a minimum of 310 hours of fixed-route weekday transit service. Service hours will be 5:15 AM to 9:00 PM. Service will be as follows:

- between the City of Canby and Oregon City Transit Center
- between the City of Canby and the City of Woodburn
- within the City of Canby Urban Growth Boundary

Contractor shall provide up to but not limited to a minimum of 18½ hours of Saturday fixed-route service between Canby and Oregon City Transit Center and the urban growth boundary of the City of Canby. Service hours will be 9 AM to 5:30 PM.

There will be no service on the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day and Christmas, however the City reserves the right to modify service changes on these days.

Hourly Service Rate. City agrees to pay Contractor for performance of this fixed route service as follows: CAT - \$33.14 per service hour during the first year of this Transit Contract (July, 2006 – June 2007), and \$34.20 per service hour during the second year of this Transit Contract (July 2007 – June 2008).

Both City and Contractor agree that the calculation of and payment for CAT hourly service at the above rate shall be made starting July 1, 2006.

City may increase or decrease the number of hours it makes available for CAT Fixed Route Service in the future, which may affect the overall service hours and fixed rate route schedule. In the event of a material change increasing or decreasing the scope of work, beyond what was described in the RFP, City agrees to renegotiate rates with the Contractor.

B. CAT– Dial-A-Ride Service

Definition of Service and Service Boundaries. A Dial-A-Ride service is a door-to-door public transportation service available on an on-call, reservation only basis, which does not follow a fixed route. Riders may be picked up from and delivered to any location within CAT's service boundaries. CAT prioritizes service to the elderly and persons with disabilities, yet is open to the general public. Subject to availability, it will extend beyond those boundaries and coordinates closely with the Canby Senior Center.

Service Hours. Contractor shall operate CAT services, Monday through Friday, 5:20 a.m. to 8:30 p.m. and Saturday, 9:30 a.m. to 6:30 p.m. subject to the CAT holidays as observed by CAT fixed-route service.

Hourly Service Rate. City agrees to pay Contractor for performance of this demand-response service as follows: CAT - \$33.14 per service hour during the first year of this Transit Contract (July 2006 – June 2007), and \$34.20 per service hour during the second year of this Transit Contract (July 2007 – June 2008). City will compensate Contractor on a monthly basis pursuant to the payment terms described in this Contract.

Both City and Contractor agree that the calculation of and payment for CAT hourly service at the above rate shall be made beginning July 1, 2006.

City may increase or decrease the number of hours or vehicles it makes available for CAT Dial-A-Ride Service in the future, which may affect the overall service hours. The rate shall remain the same for the service.

C. Paratransit – Service Compliant with Americans with Disabilities Act (ADA)

Definition of Service and Service Boundaries. Paratransit Service is a lift vehicle transportation program that is ADA-compliant. Paratransit is not an ambulance service and does not provide emergency medical service. Paratransit service is made available to ADA-eligible riders on an on-call, by reservation only basis.

Service Hours. Paratransit hours will compliment the CAT deviated fixed route service.

Service Rate. City agrees to pay Contractor for performance of this Paratransit service as follows: CAT - ~~\$33.14~~ per service hour during the first year of this Transit Contract (July, 2006 – June 2007), and ~~\$34.20~~ per service hour during the second year of this Transit Contract (July 2007 – June 2008), based based on the time the vehicle is placed into service until the time the vehicle is removed from service for the purpose of completing each trip request. City will compensate Contractor on a monthly basis pursuant to the payment terms described in this Contract.

Both City and Contractor agree that the calculation of and payment for Paratransit service at the above rate shall be made beginning July 1, 2006.

Paratransit Bus Equipment, Fuel, Maintenance and Repair. City shall provide 5 (five) ADA-compliant vehicles and pay all related fuel, insurance, maintenance and repair expenses related thereto. Contractor will also be responsible for daily inspection of vehicles for cleanliness and mechanical condition.

D. Contractor further agrees to comply with the following service standards:

1. On-Time Performance

Trips will be considered "on-time" as long as they are served within a window of ± fifteen (15) minutes deviation from the scheduled pick-up and drop-off times. Contractor is required to meet these guidelines, in conjunction with in-vehicle time requirements. Contractor will provide a minimum of 95% on-time trips.

2. Efficiency

Subject to vehicle availability, Contractor is responsible for choosing the best combination of riders on each vehicle trip and the shortest distance/time combinations for each trip to maximize the efficiency of the service.

3. In-Vehicle Time

Except in cases of extremely distant start and end points, riders shall not spend more than 60 minutes in a vehicle per trip. Contractor will provide a minimum of 95% of trips under 60 minutes duration each.

4. Reservations

City will process eligibility and provide Contractor with client information regarding service eligibility. Contractor will be required to take all trip reservation requests. Clients will be expected to request their reservation by 5:00 PM the day preceding their travel request.

5. Fares

City reserves the right to charge fares for any services. Fare collections will be arranged between City and Contractor at no additional costs.

Contractor and its employees are prohibited from soliciting or accepting any tips or gifts of any kind.

6. Rider Attendants

Contractor will not supply attendants, but must allow a rider to be accompanied by an attendant, if so requested. Riders certified as requiring an attendant will be transported only when accompanied by an attendant. The attendant will not be charged.

7. Safety

Contractor will ensure the safety of riders by any and all means necessary, including, but not limited to: driver training, retraining and monitoring; drug and alcohol training; rider assistance training; maintaining order in and around vehicles; providing safety and emergency procedures; etc.

8. Other Assistance

Contractor will assist and advise City in managing the transportation services including, but not limited to: procurement of capital items (e.g., vehicles, radios); safety; accident investigation; agency liaison; general administration; and cost allocation.

ARTICLE 4. PERSONNEL

Contractor shall be solely responsible for the provision and satisfactory work performance of all employees as needed. Contractor shall be solely responsible for payment of all employee and/or subcontractor wages and benefits. Without any additional expense to City, Contractor shall comply with the requirements of employee liability, Worker's Compensation employment insurance, Social Security, OSHA regulations, EPA laws, and all other applicable laws. City shall have the right to demand removal from the project, for reasonable cause, any personnel furnished by Contractor; provided that City shall make such request to Contractor in writing giving such reasons. Contractor shall obtain City's written consent prior to entering any subcontract affecting or for providing transportation service, provided that procurement of supplies and materials do not require such prior written consent.

A. New Staff Training

Contractor shall, at its own expense, familiarize new personnel with all aspects of the operation during the month prior to start date.

B. Meetings

City plans to hold meetings, as needed, for the purpose of discussing service problems and proposed solutions and to maintain open and frequent communication. Unless otherwise notified, a principal of Contractor, or other employee with decision-making authority, will be required to attend all meetings.

C. Office and Dispatch Staff

Contractor shall supply a sufficient number of employees to staff the office and to perform all necessary tasks associated with the service. Contractor will be responsible for training these employees and making sure that all policies and procedures are understood. Contractor will provide sufficient staffing to properly meet the City's expectations. If, during the term of this Contract, service hours are increased or decreased, Contractor shall be responsible for providing dispatch coverage for all such adjusted service hours.

D. Drivers

Contractor shall supply a sufficient number of properly qualified personnel to operate the equipment and to provide the services required. Each of Contractor's employees shall, at all times while on duty in the performance of the services required herein, be neatly and cleanly dressed and maintain a courteous and cooperative attitude in their contact with the public.

Uniforms. Driver uniforms, that may include both summer and winter uniforms, may be selected by Contractor, provided they are first approved by City. The uniforms will include the "CAT" logo or other forms of identification for Canby Transit.

Driver Qualifications. Contractor is responsible for ensuring all drivers must be properly licensed in the State of Oregon to provide this type of service, and be at least twenty-one (21) years of age. A written record from the Oregon Department of Motor Vehicles will be obtained and reviewed by Contractor to ensure compliance with driving policy and must be submitted to City annually for each driver. Additionally, each of Contractor's employees who may operate vehicles must possess a Commercial Driver's License with a Passenger Endorsement to the extent required by law.

Contractor will ensure that all drivers must also meet the following minimum criteria to participate in this program:

- No more than two moving violations for each year of the last seven years prior to application of this program (personal and commercial records inclusive);
- If license has ever been suspended, applicant must have five full subsequent years with no violations;
- If license has ever been revoked, must have ten subsequent years with no violations;
- Under no condition will an applicant be accepted as a driver for this program if (1) he/she has been convicted of a felony, (2) and/or has been convicted of a drug or alcohol offense;
- Contractor requires that every driver must inform his/her supervisor of every conviction for a moving traffic violation immediately after such conviction. Failure to provide proper disclosure may be grounds for suspension or dismissal;

- All drivers must receive the following initial training and show proof of successful completion of a minimum 20 hours cumulative training including; behind the wheel (defensive driving) training including classroom instruction; first aid training and CPR; rider assistance training; drug and alcohol training; emergency procedure training; geographic familiarity may be required.

City Transit Director may assist Contractor with finding training opportunities, including those offered by Oregon Department of Transportation through its Public Transportation Division.

All costs associated with employee training will be the responsibility of Contractor. Contractor is responsible for ensuring that each driver is properly acquainted with the requirements of these services and his/her responsibilities as a driver. City requires that drivers receive at least 100% of their defensive driver training and the "hands-on" portion of sensitivity training prior to providing any service. All remaining driver training must be completed no more than 30 days after any given driver begins providing service. Refresher training is required for all drivers every two years, minimum requirements including but not limited to Red Cross training, CPR, blood borne pathogens and defensive driving. More frequent re-training may be required, as necessary.

Vehicle Logs. Drivers will be required to maintain vehicle logs for each day of service. Logs may include rider names, scheduled and actual pick-up times, addresses, mileage, vehicle(s) utilized, no-shows, and other pertinent information.

Reporting of Accidents/Emergencies. Drivers shall immediately notify Contractor's dispatcher by radio in the event of any medical emergency or traffic accident that involves a vehicle used in the performance of this Contract. Contractor's dispatcher shall promptly advise the appropriate authorities and City's designee of the accident or emergency. Contractor's employees shall not be required to perform any medical or quasi-medical functions for riders, with the exception of first aid/CPR.

ARTICLE 5. VEHICLES

A. Vehicle Inventory

City vehicles to be used for this service shall be equipped with operating two-way radios. Present inventory includes:

- a. 3 – 35 ft. Champion buses
- b. 1 – 30 ft. Bluebird Xcel bus
- c. 4 – 27 ft. Girardin cut-a-way vehicles in various configurations
- d. 3 – 25 ft. Girardin cut-a-way vehicles
- e. 2 – mini-vans

B. Condition Upon Initial Delivery to Contractor and Continued Maintenance Expectation

Prior to acceptance of any vehicle by Contractor, a detailed inspection will take place with representatives of Contractor and City agreeing upon damage and wear.

City and Contractor agree that vehicles will be delivered to Contractor in good condition with each vehicle meeting or exceeding the following specifications and that such conditions shall be maintained by the City. The Contractor shall notify the City if at any time they see the vehicles are not in said condition immediately.

- Vehicle body and all attachments thereto will be free of major dents and scratches, rust and tar. All decals shall be properly applied.
- Vehicle tires shall be of proper load range for the vehicle and be of a type equivalent to that originally supplied by the manufacturer. All tires shall be free from sidewall damage, shall have a minimum of 25% tread life remaining and shall be free from damage due to improper alignment or balancing.
- If originally supplied in vehicle, vehicles shall contain a spare tire and wheel meeting the standards of paragraph above. Spare tires for other vehicles shall be maintained according to the standards of paragraph above.
- All vehicle lights shall be in working order.
- All vehicle doors and windows shall be in proper operating condition and properly sealed against the entry of fumes or water.
- All components of the emission control and exhaust system shall be free from leaks, rust and be in proper operating condition. Vehicles shall have current state emission certification, if so required.
- Vehicle engine shall be in proper operating condition. Proper condition shall be maintained through scheduled preventive maintenance and timely repairs as needed.
- Vehicle transmission shall be in proper operating condition, free from leaks, bad gears or slippage.

- Vehicle electrical system shall be in proper operating condition. Alternator shall be supplying specified output and batteries shall fall within manufacturer's specifications for output and specific gravity. All vehicle wiring shall be free from fraying and shall be properly loomed and attached to the vehicle in such a way as to prevent fraying. All heaters and air conditioners shall be free from leaks and shall perform to the manufacturer's specifications.
- All brake linings, drums and rotors shall meet manufacturer's specification and shall have at least 25% life remaining. All wheel cylinders and brake lines shall be free from leaks. All brake parts shall be in proper repair.
- Vehicle radios, antennas and all other communication devices shall be in proper working order and mounted as to not constitute a safety hazard.
- The wheelchair lift shall meet all current state requirements and be in proper working condition. All wheelchair tie downs and other securement equipment shall be in good condition and not be frayed or worn so as to constitute a safety hazard. Wheelchair lift interlocks, if so equipped, shall be in proper operating condition and meet state requirements.
- Vehicles shall be equipped with a fire extinguisher with current tag, a complete first aid kit, full and complete safety triangle kit and all other safety equipment required by law.
- All rider seats and all other interior surfaces shall be clean and any stains, tears and graffiti shall be dealt with expediently. Seats shall be properly secured to the vehicle with the proper grade of securement device.
- Vehicles shall have a current preventive maintenance and inspection including oil and filter change, transmission service, etc., in accordance with the requirements of City.
- Vehicles will have current required state inspection and registration certificates, if required.
- Vehicles will be cleaned to the standards of this Contract and shall be completely fueled. All other fluid levels shall meet manufacturer's requirements.
- All vehicle maintenance, repair and inspection records shall remain at City of Canby, 182 N. Holly Street, Canby, Oregon 97013.
- All glass shall be free from chips and cracks.
- All other items not specifically listed herein shall be in serviceable condition meeting generally accepted standards and practices of the public transportation industry and meeting all requirements of the state and federal government and all requirements contained in this Contract.
- At a place and time mutually agreed to by City and Contractor, City and Contractor, shall jointly inspect the vehicles to be provided by City to Contractor. During such inspection, defects to vehicles shall be noted.
- After initial inspection, City shall ensure that all defects noted are repaired prior to Contractor starting service under the terms of this Contract.

- Upon delivery of the vehicles to Contractor, City and Contractor will conduct a final inspection of the vehicles to ensure that items noted in the preliminary inspection were completed and that all vehicles are in compliance with this section.
- In the event the final inspection reveals defects in the vehicles as specified in this section, then City will, at their discretion and direction, have these items repaired.

C. Condition Upon Final Re-Delivery To City

Except for normal wear and tear, vehicles will be returned to City in the same condition as they were received by Contractor.

D. Safety Inspections

Contractor's employees shall perform daily safety inspections of vehicles prior to beginning each day's service. Vehicles failing the daily inspection will not be used in service until the reason for failure is corrected. City reserves the right to ensure that vehicles are being maintained properly and are in safe operating condition. City may inspect vehicles at any reasonable time and may bar a vehicle from service until problem(s) are corrected.

E. Maintenance

Vehicles shall be maintained or repaired at the appropriate vendor for the vehicle. City shall comply with all scheduled preventive maintenance so that all vehicles used for these services are to be maintained at a minimum standard, in accordance with the manufacturer's specifications and/or in accordance with the state's vehicle maintenance standards. Contractor will advise City of all vehicle problems expediently and have repairs made only with City approval so that funds can be managed and the use of non-City owned vehicles will be avoided if possible. All scheduled maintenance and repairs shall be approved by City prior to purchase. It shall be Contractor's responsibility to keep the vehicles clean inside and out. All service records will be kept for all vehicles and will be made available to City at the end of each month.

City shall process all warranty claims at City expense; provided that Contractor will assist City with information as needed for claim.

F. Damage

It is City's responsibility to have all physical damage to vehicles, regardless of cause, repaired in a high quality manner, within five (5) days of occurrence, if at all possible. Any damage must be reported to the City Transit Director immediately.

G. Radios

City vehicles shall be furnished with two-way radios. Except to the extent that theft, damage or destruction of City-provided radios is caused by the negligence or willful misconduct of Contractor, its agents or employees, City shall maintain, repair, and, if necessary, replace the radios. Contractor is not required to supply any additional spare or other radios.

H. Vehicle Usage

Vehicles provided to Contractor by City are to be used solely for the provision of this service. Personal usage and/or use for any other purpose is prohibited.

I. Fueling

All vehicles shall fuel at Ernie Graham Union Pride in Canby.

J. Vehicle Markings

Vehicle markings required by City are subject to negotiation prior to Contract award. Any required changes to existing vehicle paint schemes or markings shall be the responsibility of City.

ARTICLE 6. FACILITIES

City shall secure and provide suitable office space as well as adequate vehicle parking and storage facilities for City-owned vehicles to operate these services, which facilities shall be located within the greater Canby area. Except as expressly provided otherwise herein, all furnishings, equipment and supplies are the responsibility of Contractor.

The Parties acknowledge that "park out" arrangements for vehicles may be desirable for service efficiency.

ARTICLE 7. BILLING AND REPORTING

A. Billing

Contractor shall submit a detailed invoice to City on a monthly basis. Contingent upon preliminary verification of the invoice, City will pay Contractor within thirty (30) days from the date of submission. City may, at any time, conduct an audit of any and/or all records kept by Contractor for these services. Any overpayment uncovered in such an audit may be charged against Contractor's future invoices. Any underpayment uncovered in such an audit may be billed to

City in future invoices. Contractor may bill and be paid for trips attempted even if the rider does not travel. City may withhold payment for services which failed to meet service specifications or are otherwise questionable.

B. Records and Reports

Contractor will be responsible for properly maintaining separate records and summaries for these services as deemed necessary by City.

Monthly

- Rider count by service
- Odometer readings of each vehicle
- Condition of each vehicle

Trip-By-Trip Records

- Trip origin and destination address
- Clock time, vehicle odometer reading, and on-board rider count at time of rider pickup and drop off
- Rider classification (elderly, disabled, etc.)
- Date and day of service
- Date describing ride sharing among two rides

C. Monthly Management Report

Contractor will provide a monthly report that provides: one-way rider trips per service, vehicle hours and miles, number of accidents, number of complaints received, riders per trip, riders per hour, number of turn-downs per service, and other statistics as required. In addition to reporting base data, Contractor shall submit a monthly report that could include the following:

- Accomplishments and goals – administration and transportation
- Existing and anticipated problems, with recommendations for resolution
- Complete explanation of all accidents, incidents, and unusual events

D. Daily Inspection Records

Contractor is responsible for maintaining Pre & Post Trip Inspection Records, any maintenance needs are to be brought to the City's Transit Directors attention immediately.

E. Other Records

The City of Canby, the State of Oregon and the United States Department of Transportation (US DOT), or their designee(s) may at any time perform audits on the financial books, records, and accounts of Contractor. Contractor agrees to preserve, and to cause any subcontractor to preserve and make available, for a period of five years after the completion of each Canby Transit Contract, any and all financial, operations, administrative, and maintenance records pertaining to those Contracts.

ARTICLE 8. ADDITIONAL CONTRACT TERMS

A. Confidentiality Of Rider Information

Any and all information regarding any individual person served by City is strictly confidential. Information shall not be released to any party in any form without the authorization of the individual and/or City.

B. Safety

All practices, materials, supplies and equipment shall comply with the Federal Occupational Safety and Health Act, as well as any pertinent federal, state and/or local safety or environmental codes.

C. Subletting of Contract

The Contract shall not be sublet except with the written consent of City. No such consent shall be construed as making City a party to such subcontract, nor subjecting City to liability of any kind to any subcontractor. No subcontract shall, under any circumstances, relieve Contractor of its liability and obligation under this Contract, and all transactions with City must be through Contractor.

D. Assignment/Transfers of Interest

There shall be no assignment/transfer of interest or delegation of Contractor's rights, duties or responsibilities under this Contract without the prior written approval of City.

E. Regulatory Requirements

Contractor shall comply with all federal, state and local licensing and/or regulatory requirements (including permits – OSHA, DOT, EPA,) for the provision of transit services; as provided in the Contract, Contractor shall be bound by the terms and conditions of applicable federal regulations, as supplementary provisions of this Contract, as are imposed on City for the proper administration

of this Contract and under federal funding requirements. City agrees to fully indemnify Contractor in the event that any FTA Section 13(c) claim is asserted based upon any actions taken by Contractor to enter into, fulfill, or terminate this Contract; provided, however, Contractor shall be responsible for its own acts which are contrary to the terms of this Contract.

F. Non-Discrimination

- Equal Opportunity. Contractor will at all times abide by the equal opportunity provisions of the Civil Rights Act of 1964, as amended.
- Americans with Disabilities Act. Contractor must abide by the Americans with Disabilities Act laws and regulations.
- Fair Employment Practices. Contractor shall perform no services pursuant to this Contract, nor be entitled to compensation therefore, unless and until Contractor submits a properly executed statement of Fair Employment Practices.
- Non-Discrimination in Service. Contractor shall not discriminate, nor allow any of its officers, employees, or agents to discriminate against any rider or patron because of race, religion, gender, sexual orientation, disability, age, national origin, ethnicity, or ancestry.
- Notice of Discrimination Complaint. Contractor shall notify City of any discrimination complaints.
- Conforming to Final Orders. Contractor shall at its sole cost and expense, conform to any final orders issued by any State or Federal agency with jurisdiction to correct Contractor discrimination in employment and /or ridership and shall fully save harmless and indemnify City in this regard.

G. Lack of Funds

City may cancel or reduce the amount of service to be rendered if such action is in City's best interests or there be a lack of funding available for the service. In such instance, City will provide ten days' advanced written notification to Contractor. All costs incurred to date of notification will be paid by the City.

H. Interest of Elected Officials

No member of or delegate to the Congress to the United States, or other elected local, state or federal official, shall be admitted to any share or part of this Contract or to any benefit arising therefrom.

I. Publication, Reproduction and Use of Material

No custom material produced in whole or in part under the Contract shall be subject to copyright or patent in the United States or in any country. City and the FTA shall have the authority to publish, disclose, distribute and otherwise use, in whole or in part, any custom materials prepared under the Contract.

ARTICLE 9. CANBY TRANSIT SERVICE EXPANSION

As the City's (CAT) Transit continues to evolve, there may be additional services, equipment or other details to accommodate. It is the intent of the Parties that these changes and/or additions be handled through frequent communication, with the goal of providing the best possible service to Canby area riders. These issues will be negotiated and documented through letters, memoranda of understanding, or if necessary, amendments to this Contract.

ARTICLE 10. MAXIMUM OBLIGATION

City agrees to pay Contractor in consideration for the transit services as described in Article 3, Scope of Services. The maximum cost to be paid by City to Contractor for all transit services is as follows: Year 1 \$ 800,000 Year 2 \$ 950,000

ARTICLE 11. PAYMENT

During the term of this Contract, City shall make payment to Contractor in accordance with invoices that reflect the actual vehicle service hours and/or miles performed during each month, within thirty days of receipt of approved invoices. Supporting documentation of vehicle service hours or miles provided must be included with invoice (*example: copy of timesheets, trip logs*). City shall compensate Contractor only for actual vehicle service hours and miles expended in providing services required by this Contract.

ARTICLE 12. TERM OF CONTRACT

The term of this Contract shall be from July 1, 2006 through June 30, 2008, inclusive, with an option of three (3) one year extensions by mutual agreement from July 1, 2008 to June 30, 2009, July 1, 2009 to June 30, 2010 and July 1, 2010 to June 30, 2011. Contractor shall provide the fixed route service, dial-a-ride service, and each other service specified in Article 3. Scope of Services, through June 30 2008, within the budgets defined in Article 10. Maximum Obligation.

ARTICLE 13. OPTION TO EXTEND

As described above, City may grant an option to extend the Contract for three (3) one year terms. Compensation for extensions shall be negotiated at least 45 days prior to notice of extension per the paragraph below. Both parties shall give prior written notice to the other of intent to extend the Contract for an additional twelve month period no later than January 15th of the Contract year. If notice is not given by said date by both parties, it will be presumed that one or the other of the parties does not wish to extend the Contract. In that event, the Contract will terminate as of June 30 of the Contract year. If both parties desire to extend the contract, negotiations regarding compensation for cost of service shall be completed prior to March 1, of the Contract year. During the extension period, all provisions of the Contract will remain in full force and effect, subject to rate and other service adjustments being negotiated. It is understood that City is under no obligation whatsoever to exercise the above-described option and that City has made no representations committing it to exercise same.

ARTICLE 14. PERMITS TO OPERATE

At its sole cost and expense, Contractor shall obtain any and all permits, licenses, certificates, or entitlement to operate as are now or hereafter required by any agency, specifically including the Oregon Department of Transportation, and local building, planning and business license departments, to enable Contractor to perform this Contract, and shall provide copies of all such entitlement to City when received by Contractor. Contractor is liable for any and all taxes due as a result of this Contract.

ARTICLE 15. INSURANCE

Contractor shall procure and maintain, at Contractor's sole expense, at all times during the duration of this Contract, the following kinds and forms of insurance, which shall include as an Additional Insured, the City of Canby, its Elected Officials, Officers, Employees, Agents and Volunteers, from any and all claims for Bodily Injury, Death, or Property Damage, which may arise from Contractor's operations under this Contract. Other additionally insured certificates shall be provided as required, i.e., Oregon Department of Transportation, Federal Transit Administration, TriMet, etc.

A. General Liability Insurance

Contractor shall provide evidence of General Liability insurance, with a minimum per occurrence limit of \$1,000,000.00, and an aggregate limit of \$2,000,000.00. The insurance coverage shall include, but not be limited to, Premises and Operations, Products and Completed Operations, Personal and Advertising Injury Liability and Contractual Liability, which shall apply to the indemnity provisions contained in this Contract.

B. Vehicle Liability Coverage

City shall provide vehicle coverage with limits no less than \$1,000,000.00 and name Contractor as additionally insured.

C. Workers' Compensation Insurance

Contractor shall procure and maintain Workers' Compensation coverage and Employers Liability coverage in accordance with the laws of the State of Oregon. Minimum coverage limit for Employers Liability shall be \$1,000,000.00. Contractor shall also provide City with evidence of insurance for any and all subcontractors that Contractor may employ regarding this Contract.

Contractor shall provide City with updated Certificate(s) of Insurance evidencing the required coverages. Certificates and evidence of insurance shall also provide the following:

- Minimum thirty days written notice of policy or coverage cancellation, or material alteration or reduction in coverages or coverage limits.
- Contractor's insurance carrier(s) shall be liable for the full amount of any loss or claim for which Contractor is liable, up to and including the total limit of liability, without right of contribution from any other insurance which may be in effect for the benefit of City.

The insurance policies shall be written by an insurance company or companies authorized to conduct business in the State of Oregon and acceptable to City. All insurance carriers shall carry a Best Rating of "A" or better.

Any liability arising on behalf of Contractor with regard to this Contract is not limited by the insurance requirements listed above.

Contractor shall provide the City Transit Director copies of completed accident reports within seven days after an accident.

Contractor shall notify law enforcement officers and the City Transit Director of any vehicle accident, missing, vandalized or stolen vehicles or equipment or incidents involving the vehicle and any operations that might result in a claim within 24 hours of discovery. Incident reports shall include date, time and employee narrative along with name, address, and phone contact of all parties involved.

ARTICLE 16. INDEMNIFICATION

Contractor shall take all responsibility for the work, other than vehicle related as provided for by the City in Article 15 B., shall bear all losses and damages directly or indirectly resulting to him, to any subcontractor, to City, to City officers and employees, or to parties designated by City, on account of the performance or character of the work, unforeseen difficulties, accidents, occurrences or other causes predicated on active or passive negligence of Contractor or of any subcontractor. Contractor shall indemnify, defend and hold harmless City, its officers, officials, directors, employees and agents from and against any or all loss, liability, expense, claim, costs (including costs of defense), suits, and damages of every kind, nature and description directly or indirectly arising from the performance of the work. This paragraph shall not be construed to exempt City, its employees and officers from loss caused solely by the negligence of City or from its own fraud, willful injury or violation of law whether willful or negligent. By execution of this Contract, Contractor acknowledges and agrees that it has read and understands the provisions hereof and that this paragraph is a material element of consideration.

City shall take all responsibility for vehicle related accidents or occurrences as provided for in Article 15 B., shall bear all losses and damages directly or indirectly resulting to Contractor, Contractor officers and employees in the event of vehicle accidents or occurrences.

Approval of the insurance contracts does not relieve Contractor or subcontractors from liability under this paragraph, including but not limited to the duty to indemnify City set forth herein.

ARTICLE 17. TERMINATION OF CONTRACT

City may terminate this Transit Contract at any time by giving Contractor ninety days written notice thereof. Notice of termination shall be given by certified mail. Upon termination, City shall pay Contractor its allowable expenses incurred to date of termination and those expenses deemed necessary by City to effect termination. In the event that Contractor at any time during the entire term of the Contract breaches the requirements or conditions of the Contract, and does not, within ten days of receipt of notice thereof from City, cure such breach or violation, City may immediately terminate the Contract and shall pay Contractor only its allowable expenses to date of termination. Contractor must give ninety days written notice to terminate.

ARTICLE 18. CONTRACTOR'S WAIVER OF COMPETITION CLAIMS

Contractor understands that the award of contract and subsequent rendition of the service called for by these documents shall in no manner be construed so as to place Contractor in a position to be entitled to the benefits afforded to private transit operations under Section 3(e) of the Federal Transit Administration Act of 1964 (49 U.S.C., Section 1602(e) or any other comparable provision of federal or state law (or under any regulations promulgated there under), as they now exist or hereinafter may be amended. Contractor hereby waives any right it otherwise might have to assert any claim or claims under said provisions of law or that may be based upon principles of unfair competition.

ARTICLE 19. WAIVER OF CONDITIONS

The waiver of any provision, term, or condition in these Contract Documents by City on any particular occasion shall not constitute a general waiver of said provision, term or condition, nor a release from Contractor's obligation to otherwise perform or observe such condition or any other term or condition of the Contract.

ARTICLE 20. SEVERABILITY

In the event any provision of the Contract is declared or determined to be unlawful, invalid, or unconstitutional, such declaration shall not affect, in any manner, the legality of the remaining provisions of the Contract and each provision of the Contract will be and is deemed to be separate and severable from each other provision.

ARTICLE 21. GOVERNING LAW

Contractor warrants and covenants that it shall fully and completely comply with all applicable Federal, State and local laws and ordinances, and all lawful orders, rules and regulations issued by any authority with jurisdiction in all aspects of its performance of this Contract.

ARTICLE 22. NOTICES

Either City or Contractor may change its address of record for receipt of official notice by giving the other written notice of such change and any necessary mailing instructions.

Amendments or changes to this Contract shall be submitted in writing, and will become a part of this Contract when agreed upon by both parties and adopted by the Canby City Council.

Any and all notices, writings, correspondence, etc., as required by this Contract shall be directed to City and Contractor, respectively, as follows:

City of Canby

Mark Adcock
City Administrator
182 N. Holly Street
Canby, OR 97031

Contractor

Jay Lynch, Executive Director
Oregon Housing and Associated Services, Inc.
dba Wheels Community Transportation
2755 19th Street South East
Salem, Oregon 97302

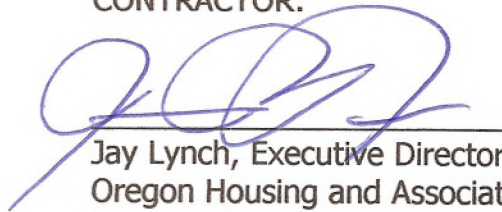
IN WITNESS WHEREOF, City and Contractor have executed this Transit Contract dated June 21, 2006.

CITY:



Mark Adcock, City Administrator
City of Canby, Oregon

CONTRACTOR:



Jay Lynch, Executive Director
Oregon Housing and Associated
Services, Inc.