



# Utah Transit Authority

## Board of Trustees

### REGULAR MEETING AGENDA

669 West 200 South  
Salt Lake City, UT 84101

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**Wednesday, October 27, 2021**

**9:00 AM**

**FrontLines Headquarters**

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The UTA Board of Trustees will meet in person at UTA FrontLines Headquarters (FLHQ) 669 W. 200 S., Salt Lake City, Utah.

**For remote viewing, public comment, and special accommodations instructions, please see the meeting information following this agenda.**

1. **Call to Order and Opening Remarks** Chair Carlton Christensen
2. **Pledge of Allegiance** Chair Carlton Christensen
3. **Safety First Minute** Sheldon Shaw
4. **Public Comment** Chair Carlton Christensen
5. **Consent** Chair Carlton Christensen
  - a. Approval of October 13, 2021 Board Meeting Minutes
6. **Reports**
  - a. Agency Report Mary DeLoretto
    - Employee Recognition - 45+ year Anniversaries
    - Delegated Authority for On-Call Infrastructure Maintenance Task Orders - Status Update
    - Bond Refunding Update
    - Ridership Report
7. **Resolutions**
  - a. R2021-10-04 - Resolution Ratifying the Adoption of the Tentative 2022 Budget Bill Greene
  - b. R2021-10-05 - Resolution Authorizing the Execution of a Low or No Emission Grant Agreement with the Federal Transit Administration for the Tooele Microtransit & Vehicle Electrification Project Patti Garver
8. **Contracts, Disbursements and Grants**

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- |            |  |   |
|------------|--|---|
| a.         | Contract: Investment Management Services<br>(Chandler Asset Management, Inc.)  | Emily Diaz                                  |
| b.         | Contract: UTA Employee Holiday Gift Cards 2021<br>(Harmon City, Inc.)  | Troy Bingham                                |
| c.         | Contract: Tooele Bus Facility Renovation (Paulsen<br>Construction)<br>And<br>2021 Technical Budget Adjustment- Capital   | David Hancock<br>Andrea Pullos              |
| d.         | Change Order: TDX System Maintenance - Change<br>Order No. 3 TDX Unidirectional Gateway Network<br>Security Solution (Modern Communications<br>Systems)  | Jared Scarbrough                            |
| e.         | Change Order: Tire Lease Program Extension<br>(Michelin)   | Kyle Stockley                               |
| f.         | Change Order: Applicant Tracking System Contract<br>Extension (JobVite)  | Greg Gerber                                 |
| g.         | Pre-Procurements<br>- Electric Vans for Tooele<br>- SD100/SD160 Slewing Ring Replacement   | Todd Mills<br>Shaina Quinn<br>Kyle Stockley |
| <br>       |  |   |
| <b>9.</b>  | <b>Discussion Items</b>  |   |
| a.         | Fare System Technology Review  | Alisha Garrett                              |
| b.         | UTA On Demand: South Salt Lake County Service<br>Update  | Jaron Robertson                             |
| <br>       |  |   |
| <b>10.</b> | <b>Other Business</b>  | Chair Carlton Christensen                   |
| a.         | Next Meeting: Wednesday, November 3rd, 2021 at<br>9:00 a.m.  |   |
| <br>       |  |   |
| <b>11.</b> | <b>Closed Session</b>  | Chair Carlton Christensen                   |
| a.         | Strategy Session to Discuss the Character,<br>Professional Competence, or Physical or Mental<br>Health of an Individual<br>And<br>Strategy Session to Discuss Pending or Reasonably<br>Imminent Litigation |   |
| <br>       |  |   |
| <b>12.</b> | <b>Open Session</b>  |   |
| <br>       |  |   |
| <b>13.</b> | <b>Adjourn</b>   | Chair Carlton Christensen                   |
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**Meeting Information:**

- Members of the Board of Trustees and meeting presenters will participate in person, however trustees may join electronically as needed.
- For in-person attendance please consider current CDC COVID-19 guidelines regarding masking and distancing.
- Meeting proceedings may be viewed remotely by following the instructions and link on the UTA Board Meetings page - <https://www.rideuta.com/Board-of-Trustees/Meetings>
- In the event of technical difficulties with the remote live-stream, the meeting will proceed in person and in compliance with the Open and Public Meetings Act.
- Public Comment may be given live during the meeting by attending in person at the meeting location.
- Public Comment may also be given through alternate means. See instructions below.
  - o Comment online at <https://www.rideuta.com/Board-of-Trustees>
  - o Comment via email at [boardoftrustees@rideuta.com](mailto:boardoftrustees@rideuta.com)
  - o Comment by telephone at 801-743-3882 option 5 (801-RideUTA option 5) – specify that your comment is for the board meeting.
  - o Comments submitted before 2:00 p.m. on Tuesday, October 26th will be distributed to board members prior to the meeting.
- Special Accommodation: Information related to this meeting is available in alternate format upon request by contacting [calldredge@rideuta.com](mailto:calldredge@rideuta.com) or (801) 287-3536. Request for accommodations should be made at least two business days in advance of the scheduled meeting.



U T A

# Utah Transit Authority

669 West 200 South  
Salt Lake City, UT 84101

## MEETING MEMO

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Jana Ostler, Board Manager  
**FROM:** Jana Ostler, Board Manager

**TITLE:**

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**Approval of October 13, 2021 Board Meeting Minutes**

**AGENDA ITEM TYPE:**

Minutes

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**RECOMMENDATION:**

Approve the minutes of the October 13, 2021 Board of Trustees meeting

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**BACKGROUND:**

A regular meeting of the UTA Board of Trustees was held in-person and broadcast live via the link and instructions on the UTA Board Meetings page on Wednesday, October 13, 2021 at 9:00 a.m. Minutes from the meeting document the actions of the Board and summarize the discussion that took place in the meeting. A full audio recording of the meeting is available on the [Utah Public Notice Website <https://www.utah.gov/pmn/sitemap/notice/708153.html>](https://www.utah.gov/pmn/sitemap/notice/708153.html) and video feed is available through the [UTA Board Meetings page <https://rideuta.com/Board-of-Trustees/Meetings>](https://rideuta.com/Board-of-Trustees/Meetings).

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**ATTACHMENTS:**

1. 2021-10-13\_BOT\_Minutes\_unapproved



# Utah Transit Authority

## Board of Trustees

### MEETING MINUTES - Draft

669 West 200 South  
Salt Lake City, UT 84101

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**Wednesday, October 13, 2021**

**9:00 AM**

**FrontLines Headquarters**

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**Present:** Chair Carlton Christensen  
Trustee Beth Holbrook  
Trustee Jeff Acerson

Also attending were UTA staff and interested community members.

**1. Call to Order and Opening Remarks**

Chair Carlton Christensen welcomed attendees and called the meeting to order at 9:17 a.m. (Note: the meeting start was delayed due to technical issues.)

**2. Pledge of Allegiance**

Attendees recited the Pledge of Allegiance.

**3. Safety First Minute**

Sheldon Shaw, UTA Director of Safety & Security, delivered a brief safety message.

**4. Public Comment**

Chair Christensen invited members of the public to comment during the live portion of the meeting; however, no live public comment was given. (Note: no online public comment was received for the meeting.)

**5. Consent**

- a. **Approval of September 13, 2021 Board of Trustees Budget Work Session Minutes**
- b. **Approval of September 14, 2021 Board of Trustees Budget Work Session Minutes**
- c. **Approval of September 16, 2021 Board of Trustees Budget Work Session Minutes**
- d. **Approval of September 17, 2021 Board of Trustees Budget Work Session Minutes**
- e. **Approval of September 23, 2021 Board of Trustees Budget Work Session Minutes**
- f. **Approval of September 22, 2021 Board Meeting Minutes**

A motion to approve the consent agenda was made by Trustee Acerson and seconded by Trustee Holbrook. The motion carried unanimously.

**6. Reports**

**a. Agency Report**

- **Sponsored Fares Update**
- **Mobile COVID-19 Vaccine Clinic, Ogden Transit Center**
- **UTA Hosts American Bus Benchmarking Group (ABBG)**
- **Recognition of Bus Roadeo Participants**

**Sponsored Fares Update**

Mary DeLoretto, UTA Interim Executive Director, was joined by Kensey Kunkel, UTA Manager - Business Development & Sales. Ms. Kunkel summarized UTA's sponsored fares program efforts. Since July 2021, eight partner contracts have led to sponsored fares for 29 events across UTA's service area, with 150,000 individuals receiving access to transit through these partnerships. An estimated 5 to 15 percent of these individuals utilized the transit benefit, resulting in approximately 15,000-45,000 rides.

Discussion ensued. Questions on usage for the Utah State Fair and partner feedback were posed by the board and answered by staff.

**Mobile COVID-19 Vaccine Clinic, Ogden Transit Center**

Ms. DeLoretto reported a total of 77 COVID-19 vaccines have been administered to date at the Ogden Transit Center mobile vaccine clinic.

**UTA Hosts American Bus Benchmarking Group (ABBG)**

Ms. DeLoretto was joined by Jonathan Yip, UTA Senior Manager - Operations Analysis & Solutions. Mr. Yip described the ABBG and UTA's participation. He mentioned agencies across the industry are experiencing employee shortages. He also noted many agencies are implementing microtransit services.

The data from the ABBG shows UTA is a leader in:

- On-time service
- Vehicle cleanliness
- Safety on buses
- Driver helpfulness
- Interior comfort

**Recognition of Bus Roadeo Participants**

Ms. DeLoretto was joined by Mary DeLaMare-Schaefer, UTA Regional General Manager - Timpanogos Business Unit, and Reed Snyder, UTA Manager of Service Delivery. Ms. DeLaMare-Schaefer recognized UTA's Bus Roadeo winners: Gustavo Molinaro, Pablo Rivas, and Zach Colton.

**Ultramarathon Rescue**

Ms. DeLoretto was joined by Andres Colman, UTA Regional General Manager - Mt. Ogden Business Unit. Mr. Colman spoke about UTA's response to an emergency community request. The agency provided a warming bus for ultramarathon runners rescued during a blizzard in Farmington Canyon.

**b. Financial Report - August 2021**

Bill Greene, UTA Chief Financial Officer, was joined by Brad Armstrong, UTA Senior Manager - Budget & Financial Analysis; Daniel Hofer, UTA Manager - Capital Assets & Project Controls; and David Hancock, UTA Acting Chief Service Development Officer. Mr. Armstrong reviewed the financial dashboard, sales tax revenue, sales tax collections by county, passenger revenues, stimulus funding, and operating financial results. Mr. Hofer discussed capital spending (including spending by project type) and provided some project highlights.

Discussion ensued. Questions on forecasted sales tax trends, service vehicle delivery timelines, relationship with the 650 South platform contractor, and FrontRunner Forward procurement progress were posed by the board and answered by staff.

**7. Resolutions****a. R2021-10-01 - Resolution Authorizing and Approving a Preliminary Official Statement and an Official Statement in Connection with the Issuance and Sale of the Authority's Sales Tax Revenue Refunding Bonds; and Related Matters**

Mr. Greene was joined by Brian Baker with Zions Public Finance, and Bob Kinney with Wells Fargo. Mr. Baker summarized the resolution, which approves the preliminary official statement (POS) and an official statement in connection with the issuance and sale of the authority's sales tax revenue refunding bonds. (The bonds being evaluated for possible refunding are the remaining 4.0%-5.0% bonds of the 2015A issues with principal payments of \$405.27 million starting in 2021 and going through 2037.) He then reviewed UTA's updated bond ratings, bond refunding and restructuring considerations, existing debt, movement in 10-year U.S. Treasury rates, and potential refunding results. Mr. Baker noted interest rates are trending upward, which could impact the sale.

Discussion ensued. A question on the market forecast was posed by the board and answered by Mr. Baker.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this resolution be approved. The motion carried by the following vote:

Aye: Chair Christensen, Trustee Holbrook, and Trustee Acerson

**b. R2021-10-02 - Resolution Authorizing the Execution of a Public Transportation COVID-19 Research Demonstration Grant Agreement for the E-Voucher System Phase 2 Development Project**

Patti Garver, UTA Manager - Environmental & Grant Services, was joined by Tracy Young, UTA Coordinated Mobility Manager. Ms. Garver described the resolution, which authorizes execution of a federal grant agreement in the amount of \$508,200 to

support phase 2 of the electronic voucher (e-voucher) system project. The e-voucher system supports human service organizations, seniors, persons with disabilities, veterans, and low-income populations through e-vouchers and payments for transportation services. No local match on the grant is required; however, UTA will include an in-kind match of \$30,000 in the form of UTA staff time. The total project cost, including the in-kind match, is \$538,200.

Discussion ensued. Questions on the program software development and pilot duration were posed by the board and answered by staff.

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, that this resolution be approved. The motion carried by the following vote:

Aye: Chair Christensen, Trustee Holbrook, and Trustee Acerson

## 8. **Contracts, Disbursements and Grants**

### a. **Contract: Ogden/WSU BRT Signal Materials/Prioritization System (State of Utah and Utah Department of Transportation)**

David Hancock, UTA Acting Chief Service Development Officer, was joined by Andrea Pullos, UTA Project Manager III. Ms. Pullos requested the board approve a contract in the amount of \$2,000,000 with the State of Utah and Utah Department of Transportation for signal materials needed for the Ogden/Weber State University (WSU) bus rapid transit (BRT) project.

Discussion ensued. A question on competitive pricing was posed by the board and answered by staff.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this contract be approved. The motion carried by a unanimous vote.

### b. **Change Order: Federal Monitoring Services Agreement Modification No. 5 - Final Payment to Independent Federal Monitors (Coblentz, Patch, Duffy and Bass LLP)**

David Wilkins, Assistant Attorney General, asked the board to approve a change order in the amount of \$74,270.96 to the contract with Coblentz, Patch, Duffy and Bass LLP for the final payment on independent monitoring services. The total contract, including the change order, is \$635,975.46.

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, that this change order be approved. The motion carried by a unanimous vote.

Chair Christensen called for a break at 10:32 a.m.

The meeting resumed at 10:43 a.m.

c. **Change Order: Microtransit Master Service Agreement Service Order No.1 - Rose Park, Poplar Grove & Glendale Microtransit Service (River North Transit LLC - Via)**

Nichol Bourdeaux, UTA Chief Planning & Engagement Officer, was joined by Jaron Robertson, UTA Director of Innovative Mobility Solutions, and Julianne Sabula with Salt Lake City. Mr. Robertson requested the board approve a \$1,740,000 change order to the master service agreement with River North Transit LLC - Via for operating 12 months of microtransit service in the Rose Park, Poplar Grove, and Glendale areas of Salt Lake City. Salt Lake City will reimburse UTA monthly for actual expenses incurred for the service plus marketing and promotions, fuel expenses, and a UTA operations support fee (not to exceed \$1,900,000 in the 12-month period). Ms. Sabula highlighted the positive experience of partnering with UTA on the Salt Lake City Transit Master Plan.

Discussion ensued. Questions on area selection criteria, community outreach efforts, and implementation dates were posed by the board and answered by staff. Chair Christensen suggested advertising the service in the local area newspapers and on the Spanish-speaking radio stations.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this change order be approved. The motion carried by a unanimous vote.

d. **Public Agreement: UTA - Salt Lake City Microtransit Cooperative Agreement**

Ms. Bourdeaux was joined by Mr. Robertson and Ms. Sabula. Mr. Robertson asked the board to approve a 12-month agreement with Salt Lake City in which SLC agrees to fund microtransit service in Rose Park, Poplar Grove, and Glendale areas. The not-to-exceed \$1,900,000 agreement covers actual expenses incurred for the microtransit service, as well as marketing and promotions, fuel expenses, and a UTA operations support fee. The agreement also includes four option years that could be exercised at some point in the future; however, they would need to come back to the board for approval.

Discussion ensued. A question on funding the service was posed by the board and answered by staff.

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, that this public agreement be approved. The motion carried by a unanimous vote.

e. **Pre-Procurements**

- **On-call Materials Test and Inspection**
- **Architectural Services**
- **Midvalley Connector Final Design**
- **UTA Facilities Structural Analysis**

Todd Mills, UTA Director of Supply Chain, was joined by Hal Johnson, UTA Manager - Project Research and Development. Mr. Mills indicated the agency intends to procure the goods and/or services listed on the meeting agenda.

Discussion ensued. Questions on whether architectural services will be grouped in the procurement, intent for space planning, sole source requirements on the Midvalley Connector final design, and the possibility of incorporating a structural analysis at Mt. Ogden during the Ogden Express (OGX) construction were posed by the board and answered by staff.

## 9. Discussion Items

### a. Tentative 2022 Budget

Mr. Greene was joined by Mr. Armstrong. Mr. Greene reviewed the executive team's 2022 strategic framework, including draft goals and initiatives in the areas of service, people, and stewardship. He spoke about budget challenges and opportunities and summarized the budget process. Mr. Greene then provided an overview of the 2022 operating budget, including expenses by category, expenses by office, summary of fulltime employees, service addition impacts, and proposed service changes. He described metrics for measuring success related to service changes, service support, recruitment and retention, rail maintenance apprenticeship program, information technology, and program delivery. Mr. Greene concluded his presentation by reviewing sources and uses of various funds, as well as the next steps in the budget approval process.

Chair Christensen noted the board reviewed the 2022 budget in detail during budget work sessions held in September.

### b. UTA Policy - UTA.01.05 Drug and Alcohol

Kim Shanklin, UTA Chief People Officer, described major changes to the drug and alcohol policy. These changes include:

- Clarifying of the definition of “revenue service vehicle”
- New language bringing the policy in line with Utah state law regarding medical cannabis for eligible positions; safety sensitive employees are exempt from this change
- Updating the definition of “safety sensitive employee”
- Updating the contact information for UTA’s designated employer representative
- Updating the percentage of random drug tests

Discussion ensued. A question on which positions qualify as safety sensitive was posed by the board and answered by Ms. Shanklin.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this policy be approved. The motion carried by a unanimous vote.

**10. Other Business**

- a. Next Meeting: Wednesday, October 27, 2021 at 9:00 a.m.

**11. Closed Session**

Chair Christensen indicated there was a need for a closed session to discuss the sale, purchase, exchange, or lease of real property, including any form of a water right or water shares.

- a. **Strategy Session to Discuss the Sale, Purchase, Exchange, or Lease of Real Property, Including Any Form of a Water Right or Water Shares**

A motion was made by Trustee Acerson, seconded by Trustee Holbrook, for a closed session to discuss the sale, purchase, exchange, or lease of real property, including any form of a water right or water shares. The motion carried unanimously and the board entered closed session at 11:47 a.m.

**12. Open Session**

A motion was made by Trustee Acerson, seconded by Trustee Holbrook, to return to open session. The motion carried unanimously and open session resumed at 12:38 p.m.

**13. Resolutions**

- a. **R2021-10-03 - Resolution Approving Jordan Valley Transit Oriented Development Investment**

Paul Drake, UTA Director of Real Estate & Transit-Oriented Development, summarized the resolution, which approves reinvesting in the Momentum phase of the Jordan Valley transit-oriented development (TOD). He reviewed a dilution clause favoring the developer included in the original operating agreement for the development. He then presented the option for reinvesting all UTA Jordan Valley TOD proceeds in the TOD.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that a resolution reflecting a total reinvestment of UTA funds in the Jordan Valley TOD project be approved. The motion carried by the following vote:

Aye: Chair Christensen, Trustee Holbrook, and Trustee Acerson

**14. Adjourn**

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, to adjourn the meeting. The motion carried by a unanimous vote and the meeting adjourned at 12:46 p.m.

Transcribed by Cathie Griffiths  
Executive Assistant to the Board Chair  
Utah Transit Authority

This document is not intended to serve as a full transcript as additional discussion may have

taken place; please refer to the meeting materials, audio, or video located at <https://www.utah.gov/pmn/sitemap/notice/708153.html> for entire content.

This document along with the digital recording constitute the official minutes of this meeting.

Approved Date:

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Carlton J. Christensen  
Chair, Board of Trustees



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** Mary DeLoretto, Interim Executive Director  
**PRESENTER(S):** Mary DeLoretto, Interim Executive Director

**TITLE:**

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**Agency Report**

- Employee Recognition - 45+ year Anniversaries
- Delegated Authority for On-Call Infrastructure Maintenance Task Orders - Status Update
- Bond Refunding Update
- Ridership Report

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**AGENDA ITEM TYPE:**

Report

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**RECOMMENDATION:**

Informational report for discussion

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**DISCUSSION:**

Mary DeLoretto, Interim Executive Director will report on recent activities of the agency and other items of interest.

- Employee Recognition - 45+ year Anniversaries
  - Delegated Authority for On-Call Infrastructure Maintenance Task Orders - Status Update
  - Bond Refunding Update
  - Ridership Report
-



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** William Greene, Chief Financial Officer  
**PRESENTER(S):** William Greene, Chief Financial Officer

**TITLE:**

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**R2021-10-04 - Resolution Ratifying the Adoption of the Tentative 2022 Budget**

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**AGENDA ITEM TYPE:**

Resolution

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**RECOMMENDATION:**

Approve Resolution R2021-10-04 ratifying the adoption of the Agency's Tentative 2022 Budget as presented.

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**BACKGROUND:**

Each year, and in compliance with state statute, the Board establishes a tentative budget for the next year and sets a public hearing at which interested parties may comment upon the tentative budget.

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**DISCUSSION:**

On October 13, 2021, the Board of Trustees heard a presentation on the 2021 Tentative Budget. The focus of the requested action is the resolution that provides for the adoption of the 2022 tentative budget and sets a public hearing for November 4, 2021 at 3:30 p.m. at the Golden Spike Rooms of the Frontline Headquarters Building at 669 West 200 South in Salt Lake City.

Upon approval, the 2022 Tentative Budget will be mailed to the governor's office, legislature, mayors, commissioners, metropolitan planning organizations, and others. It will also be made available to the public on UTA's website and will be open for comment throughout the public comment period. The 30-day public comment period will conclude on December 4, 2021 with all comments provide to the Trustees.

On November 17, 2021, the Local Advisory Council will be given the opportunity to review the 2022 Tentative Budget and provide their advice to the Board of Trustees.

The 2022 Final Budget will be reviewed at the December 8, 2021 Board of Trustees meeting with adoption scheduled for the December 15, 2021 Board of Trustees meeting.

The detail of the 2022 Tentative Budget is provided in Exhibit A of the resolution.

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**ALTERNATIVES:**

The Board could choose to amend the Tentative Budget. This would lengthen the approval process and potentially push approval into 2022.

The Board could choose not to adopt the Tentative Budget.

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**FISCAL IMPACT:**

Should there be a delay in adopting the 2022 Final Budget, the 2022 Tentative Budget would serve as the adopted budget until the 2022 Final Budget is approved.

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**ATTACHMENTS:**

1. Resolution R2021-10-04
2. 2022 Tentative Budget Document
3. 2022 Budget Public Hearing Notice

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT  
AUTHORITY RATIFYING THE ADOPTION OF THE TENTATIVE 2022 BUDGET**

R2021-10-04

October 27, 2021

WHEREAS, the Utah Transit Authority (the "Authority") is a large public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities - Local Districts Act and the Utah Public Transit District Act; and

WHEREAS, the Board of Trustees (the "Board") of the Authority is charged by the State of Utah to complete a budget process and establish an annual budget of the Authority; and

WHEREAS, as part of that budget process, the Board must approve a tentative budget, provide notice for a public hearing, and provide copies of that budget and notice to interested persons and to those entities identified by Utah Statute; and

WHEREAS, the Board has reviewed the tentative budget as proposed by the Authority staff, and believes that the tentative budget reasonably fulfills the needs of the Authority and is in keeping with its responsibility for fiscal conservancy; and

WHEREAS, the Board of Trustees desires to establish management and operating goals that are in keeping with the Board's philosophy to provide leadership and governance to the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Utah Transit Authority:

1. That the Board hereby ratifies the adoption of the Authority's Tentative 2022 Budget, a copy of which is attached to this Resolution as Exhibit A.
2. That the Authority will hold a public hearing on the Tentative 2022 Budget on November 4, 2021, at 3:30 p.m. at the Golden Spike Rooms of the Frontline Headquarters Building at 669 West 200 South in Salt Lake City, Utah.
3. That the Authority will provide to the chief administrative officers and executive bodies of each municipality and unincorporated county area within the district of the Authority; to the offices of the Governor and the Legislature; and to persons and entities who in writing request a copy:
  - a) a copy of the Tentative 2022 Budget for examination and comment;
  - b) notice of the date, time, and place of the budget hearing; and
  - c) a signature page that comports with the requirements of UTAH CODE § 17B-1-702, *et seq.*

4. That the Authority, in accordance with UTAH CODE § 17B-2a-808.1(2), will consult with the Local Advisory Council at their November 17, 2021, meeting on the Tentative 2022 Budget.
5. That this Resolution stay in full force and effect until superseded by further action of the Board.
6. That the Board hereby ratifies any and all actions taken by the Authority, including those taken by the Executive Director, staff, and counsel that are necessary to give effect to this Resolution.
7. That the corporate seal be attached hereto.

Approved and Adopted this 27th day of October 2021.

---

Carlton Christensen, Chair  
Board of Trustees

ATTEST:

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Secretary of the Authority

(Corporate Seal)

Approved As To Form:

DocuSigned by:  
*Tim Merrill*  
56A03BC7C491482...  
Legal Counsel

Exhibit A  
(2022 Tentative Budget)

# Utah Transit Authority

## Tentative Budget Document 2022



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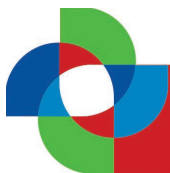
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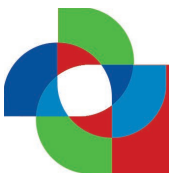
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## Message from the Executive Director



Bolstered by Utah's strong economy and significant commitments from our federal, state, and local partners, the Utah Transit Authority's 2022 budget and underlying five-year Capital and Operating plans position the agency for a future of growth and expansion.

Our 2,800 employees have performed admirably during the COVID-19 pandemic, continuing to provide essential transportation services to the region and especially those most dependent on transit. Our front-line operators, maintenance workers, safety and security personnel and support staff have endured these difficult times and inspired our organization.

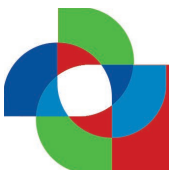
However, like our fellow transit agencies across the country, we continue to feel the impacts of the pandemic. The plans and mitigation strategies articulated in this budget include specific actions to help the agency continue to recover, as well as expand and improve service to the community.

After carefully monitoring ridership and route performance for the first half of 2021, UTA continued its efforts to restore service, guided by UTA's adopted 5-Year Service Plan and the route evaluation criteria outlined in our Service Guidelines. In August, UTA increased service on the S-Line Streetcar, TRAX and FrontRunner to address gaps created by COVID-19 service reductions. The Board of Trustees also approved transitioning UTA On Demand to a permanent service. Building on the success of the Microtransit pilot, several underperforming Flex routes were replaced with UTA On Demand with increased service hours on weekdays and Saturdays.

The 2022 budget includes additional service adjustments across fixed route bus, paratransit, and FrontRunner, including almost 100,000 annual hours of new or restored service, primarily focused in Salt Lake County with revenue from our City and County partners. The request also includes a further expansion of UTA On Demand Microtransit service in Tooele and Davis Counties. Later next year, we will begin partial service on our new bus rapid transit line connecting the FrontRunner Ogden Station with Weber State University (WSU) through downtown Ogden. The "Ogden Express" or "OGX" will connect entertainment, retail, and business destinations from downtown Ogden to WSU every 10-15 minutes on weekdays and 15-30 minutes on weekends with a fleet of all-electric buses. Initial OGX shuttle service on WSU campus will begin August 2022, and the full line will open August 2023.

Like so many industries across the state and country, UTA is facing unprecedented challenges in recruiting and retaining employees, from bus operators to maintenance employees to administration. The 2022 budget includes funding for strategic recruitment and retention to allow UTA to emerge from the pandemic with a highly skilled and capable workforce engaged in delivering our operating and capital programs.

Leveraging one-time funds, the 2022 budget includes an historic commitment to the workforce of the future. Working with our labor partners, UTA will begin developing and implementing a long-planned Rail



Maintenance apprenticeship program, modeled after our highly successful Bus Maintenance apprenticeship program. During the coming year, UTA will develop curriculum and course materials, purchase training aids and develop state-of-the art training and tools to graduate rail apprentices to journey level status. This investment will pay on-going dividends in safety and security, reliability, service quality and cost effectiveness. The programs will be prepared for certification with the Department of Labor by the end of 2022.

During the 2021 Session, the State Legislature invested \$330 million to plan for, expand, and improve public transportation across UTA's service area. Of that, \$300 million was earmarked to fund double tracking of the FrontRunner commuter rail system and leverage federal funds for the project. Double-tracking FrontRunner in strategic locations will enable UTA to improve travel time and increase ridership along this important corridor.

This extraordinary commitment by the State, coupled with strong partnerships with the Federal Transit Administration, Wasatch Front Regional Council (WFRC), Mountainland Association of Governments (MAG) and a host of local government partners, have created a renewed sense of urgency and heightened expectations for project and program delivery at UTA. In response, UTA has been ramping up planning and design efforts, identified needed project delivery resources, and introduced a more focused approach to project and program delivery that will ensure successful delivery of the 5-year program.

The \$228 million in the 2022 capital budget and the \$1.2 billion 5-Year Capital Plan focuses on system-wide safety and reliability and reflects our ongoing commitment to maintaining a state of good repair for our revenue vehicles, infrastructure, and supporting systems. The capital plan also:

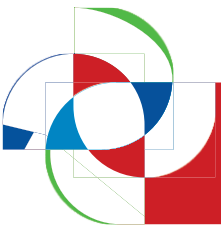
- Funds strategic double tracking along the FrontRunner alignment
- Completes the new Depot District facility to meet the future growth of the system
- Completes the Ogden Express – OGX (BRT) line in Ogden, increasing regional connectivity
- Funds the design and construction of the Mid-Valley bus rapid transit (BRT) line and the S-Line Streetcar extension
- Provides planning and design funds for major investments at Point of the Mountain, South Valley Transit, and others
- Provides \$20 million to help our local partners complete high priority projects that support transit throughout our service area
- Begins planning for the replacement of our light rail and commuter rail fleets as they reach the end of their planned lifespan in the next decade

The 2022 budget and 5-year plans provide an exciting vision for the future at UTA and the Wasatch Front region. We are prepared to deliver on the incredible commitments our federal, state, county, local, and regional partners, elected officials, and customers, have entrusted in us.

Together with our employees, the Board of Trustees, and our community partners, we are poised and excited to continue providing Wasatch Front residents safe, reliable, and convenient transit service.



# Budget Overview

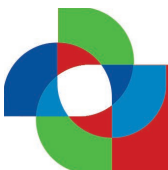


## Budget Summaries

### UTAH TRANSIT AUTHORITY 2022 TENTATIVE OPERATING BUDGET October 27, 2021

Exhibit A-1

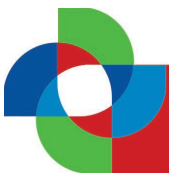
<u>Revenue</u>	2022 Tentative <u>Budget</u>
1 Sales Tax	\$ 419,100,000
2 Federal Preventive Maintenance	59,500,000
3 Passenger Revenue	36,033,000
4 Advertising	1,370,000
5 Investment Income	4,832,000
6 Other Revenues	13,826,000
7 Stimulus Funding	<u>100,100,000</u>
8 <b>Total Revenue</b>	<b><u>634,761,000</u></b>
<u>Operating Expense</u>	
9 Bus	116,830,000
10 Commuter Rail	31,721,000
11 Light Rail	56,900,000
12 Paratransit Service	25,888,000
13 Rideshare/Vanpool	3,705,000
14 Operations Support	61,525,000
15 Management & Support	49,140,000
16 Planning/Capital Support	9,377,000
17 Non-Departmental	<u>1,000,000</u>
18 <b>Total Operating Expense</b>	<b><u>356,086,000</u></b>
<u>Debt Service, Contribution to Reserves, and Transfer to Capital</u>	
19 Principal and Interest	144,340,000
20 Bond Service Utah County for UVX BRT program	8,872,000
21 Contribution to Reserves	16,400,000
22 Transfer to Capital	<u>109,063,000</u>
23 Total Debt Service and Reserves	<u>278,675,000</u>
24 <b>Total Expense</b>	<b><u>\$ 634,761,000</u></b>



**UTAH TRANSIT AUTHORITY**  
**2022 TENTATIVE CAPITAL BUDGET - SUMMARY**  
**October 27, 2021**

**Exhibit A-1**

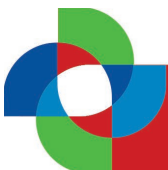
<u>Funding Sources</u>	<u>2022 Tentative Budget</u>	
25 UTA Current Year Funding	\$ 121,386,000	
26 Grants	44,291,000	
27 Local Partner Contributions	10,603,000	
28 State Contribution	35,946,000	
29 Leasing	15,832,000	
30 <b>Total Funding Sources</b>	<b><u>228,058,000</u></b>	-
<u>Expense</u>		
31 State of Good Repair	71,338,000	
32 Depot District	32,562,000	
33 Ogden/Weber BRT	25,465,000	
34 Front Runner Forward	15,000,000	
35 Mid Valley Connector	10,000,000	
36 TIGER Program of Projects	8,206,000	
37 Other Capital Projects	65,487,000	
38 <b>Total Expense</b>	<b><u>\$ 228,058,000</u></b>	-



**UTAH TRANSIT AUTHORITY**  
**2022 TENTATIVE OPERATING BUDGET**  
**October 27, 2021**

**Exhibit A-2**

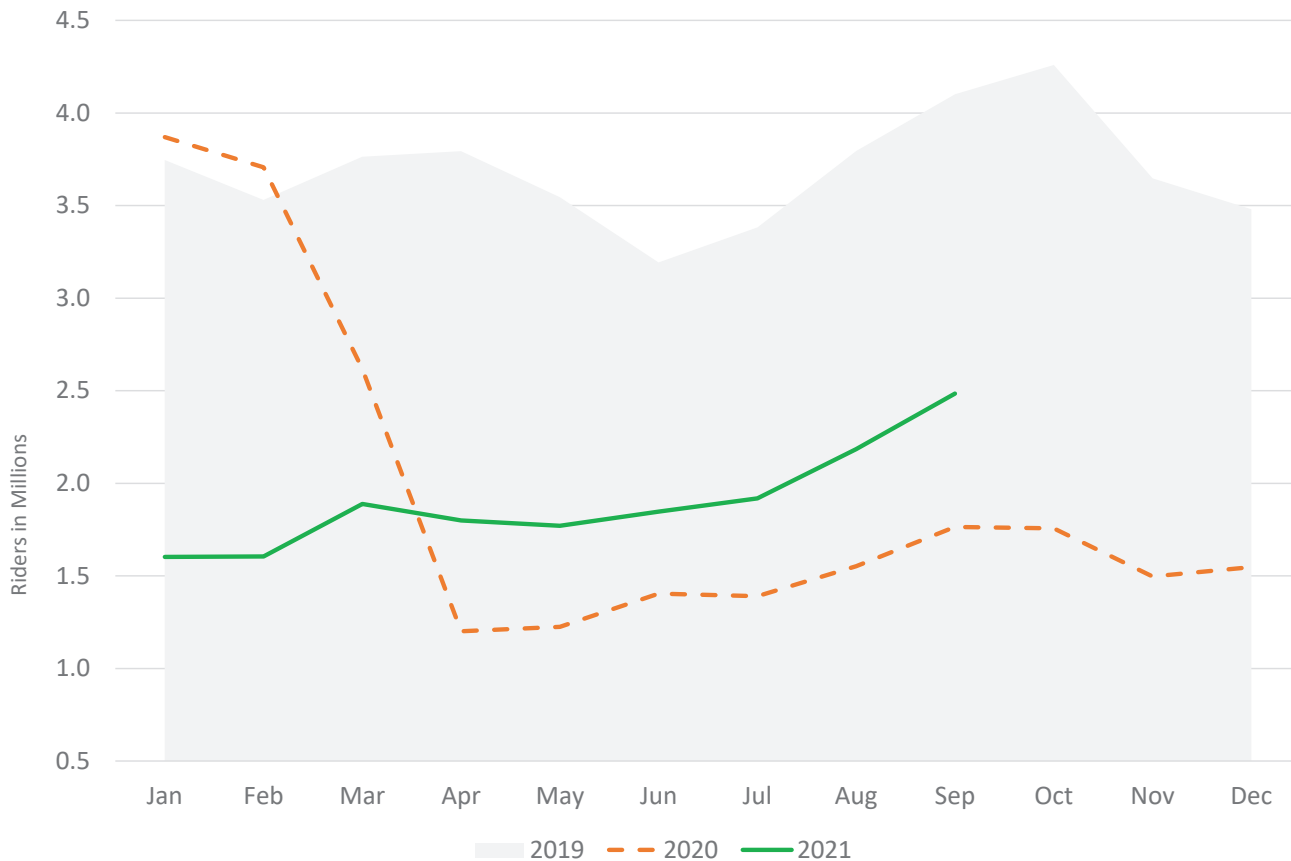
<u>Revenue</u>	Tentative 2022 Budget	
1 Sales Tax	\$ 419,100,000	
2 Federal Preventive Maintenance	59,500,000	
3 Passenger Revenue	36,033,000	
4 Advertising	1,370,000	
5 Investment Income	4,832,000	
6 Other Revenues	13,826,000	
7 Stimulus Funding	100,100,000	
8 <b>Total Revenue</b>	<b>\$ 634,761,000</b>	
<u>Operating Expense</u>		FTE
9 Board of Trustees	\$ 2,677,000	13.4
10 Executive Director	8,446,000	41.5
11 Operations	270,502,000	2,285.2
12 Finance	14,589,000	113.5
13 Service Development	7,782,000	56.0
14 Planning & Engagement	13,086,000	73.2
15 Enterprise Strategy	22,525,000	115.0
16 People Office	15,479,000	84.0
17 Non-Departmental	1,000,000	-
18 <b>Total Operations</b>	<b>356,086,000</b>	<b>2,781.8</b>
19 Debt Service	153,212,000	
20 Contribution to Reserves	16,400,000	
21 Transfer to Capital Budget	109,063,000	
22 <b>Total Tentative 2020 Operating Budget</b>	<b>\$ 634,761,000</b>	<b>2,781.8</b>



## 2022 Tentative Budget Overview

The Utah Transit Authority's 2022 Budget was developed during a time of hopeful recovery modulated by corrections and adjustments as the pandemic receded but returned with the emergence of new variants. UTA responded to the ebbs and flows and steadily moved toward its goal of restoring service and encouraging the return of ridership. The 2022 Budget reflects current economic projections and targeted investments to achieve this goal while providing safe, secure, and reliable service.

### Total System Ridership



2022 ridership is recovering at about the pace projected in the 2021 Budget forecast. While ridership through September lags 2019 totals by about 40 percent, steady and significant gains over 2020 ridership can be seen on the chart above. In fact, 2021 ridership for the months April through September are about 40 percent over ridership for the same period in 2020. The 2022 Budget and underlying 5-year financial plan assume that the system will return to 2019 ridership levels by 2025. Recovery has been uneven by mode.

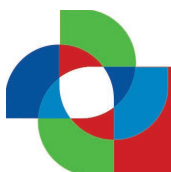
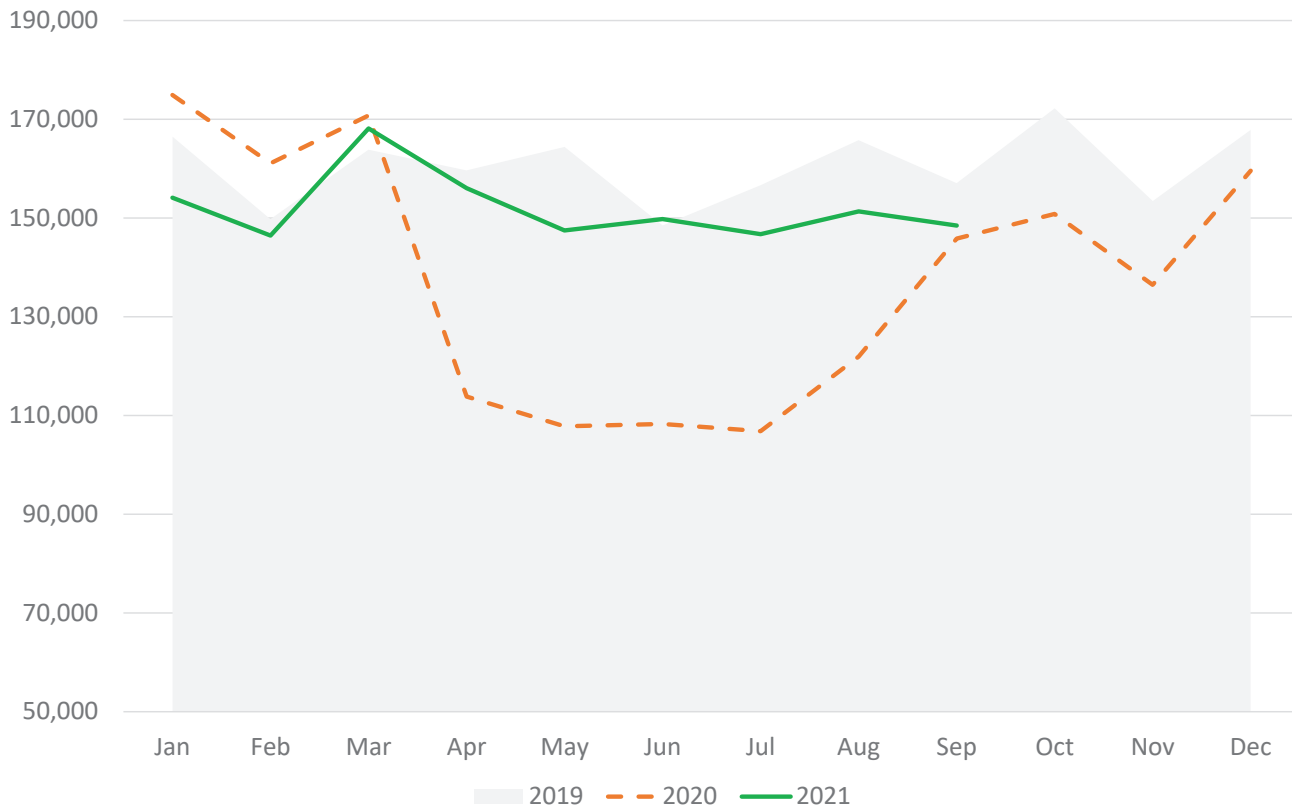


On April 5, 2020, to limit the spread of the COVID-19 virus, keep customers and employees safe, respond to dramatic losses in ridership and fares, and react to projected steep reductions in sales tax revenues, UTA reduced service by about 50 percent.

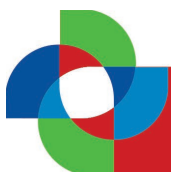
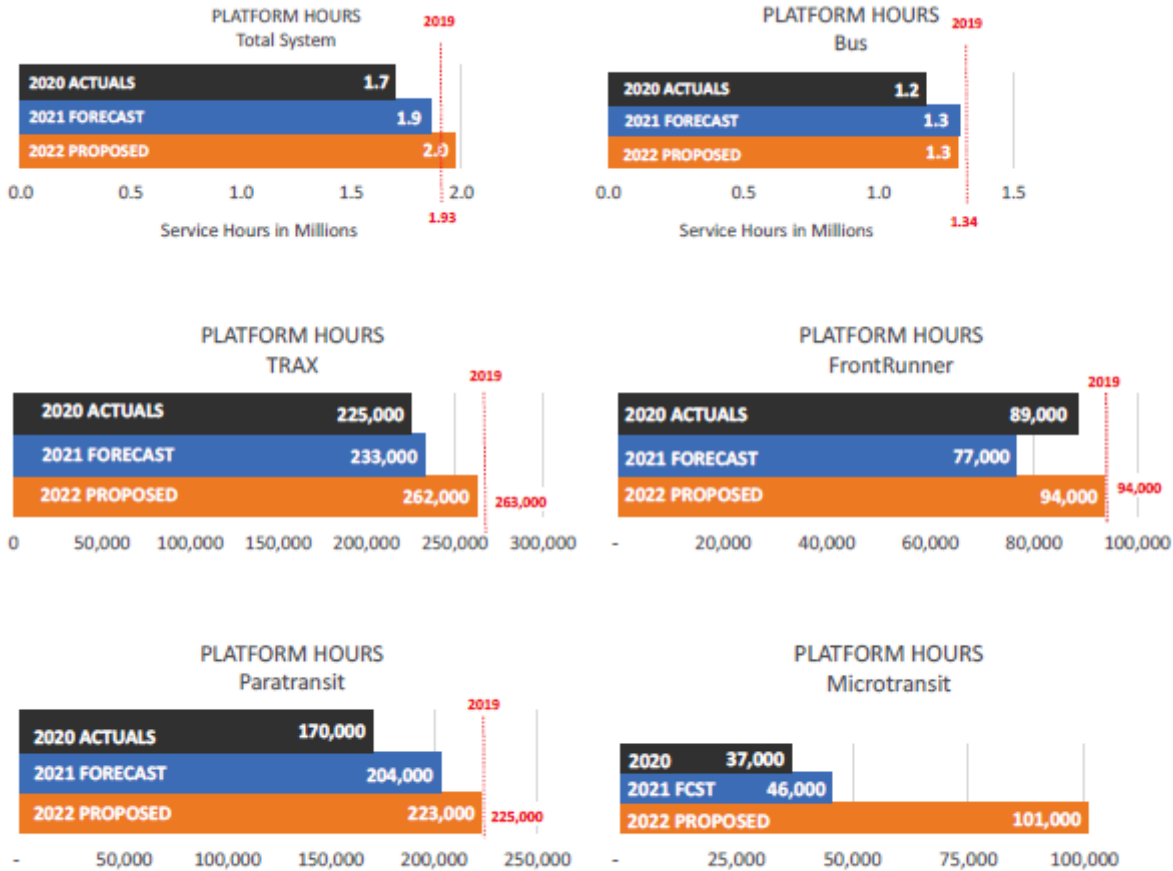
Four months later, as a result of increasing ridership numbers, public feedback, and changes regarding COVID policies, much of the service that was changed or reduced in April was restored, or even improved, beyond pre-COVID levels.

In 2021, UTA continued its targeted service change strategy focusing on route performance and emerging ridership trends. The August service change reduced/replaced unproductive service, added service, and introduced Microtransit as a new, permanent mode.

### Total Platform Hours



The 2022 budget envisions adding 99,000 hours of service across modes and throughout the system. When these service changes are implemented next summer, all modes except Microtransit will be operating slightly behind pre-COVID levels. Microtransit was introduced in 2019 on a pilot basis and, with the proposed service additions in 2022, will nearly triple in size.



## Key Assumptions and Sources and Uses

In the spring and early summer of 2021, staff began identifying key assumptions that would assist in the development of the 2022 budget and underlying 5-year plans. For the first time in recent history, UTA contracted with the Economic Development Unit at the University of Utah to generate sales tax forecasts. This Tentative Budget and 5-year plan include assumptions from the University's April 2021 forecast. The forecast will be updated in October and will inform the 2022 Final Budget and 5-year plans.

Other assumptions developed in April were re-evaluated in August and presented to the Board of Trustees and the Local Advisory Council in September and October for their review. The key assumptions and rationale for the assumptions are provided below.

### Summary – 2022 Sources

Operating sources of funds are \$599.2 million, a decrease of \$69.1 million or (10.3%) from the FY21 forecast. The primary sources are detailed below:

- Sales Tax contributions of \$419.1 million are up \$17.6 million. This assumes a 4.38% growth in sales tax over projected 2021 sales tax collections. In 2021 UTA engaged Stephen C. Bannister, PH.D. Associate Director of Economics at the University of Utah to provide an expert view of our historical sales tax data and provide UTA with professional forecasts based on the University's econometric models. These funds are used for operations and maintenance, agency operating, and future project development expenses.
- Federal Stimulus funds – The CARES, CRRSAA, and a third round of federal COVID related relief known as American Rescue Plan Act (ARPA) have been used to supplement operations and maintenance. The majority of these three stimulus programs has been consumed in 2021 with 100.0 million projected to be utilized in 2022.

This amount and the strategy to spend all Stimulus funds is under review at the time of printing. Final decisions will be reflected in the 2022 Final Budget and supporting 5-Year Capital Plan.

- Passenger revenue is \$36.0 million, up \$4.0 million from FY21. Slow ridership recovery has resulted in lower fare growth in collections due to ongoing COVID impacts in ridership habits and trends. The projected increase in fare revenue is due to the return to front door boardings.
- Federal Preventive funds are programmed at \$59.5 million to support both TRAX, Streetcar and Frontrunner systemwide improvements and State of Good Repair. These Federal formula programs fund a portion of preventive maintenance.



- Other revenue is \$19.9 million, up from \$17.8 million in FY21 primarily due to increasing advertising revenue, investment interest, Transit Oriented Development funding returns. The economic impact of COVID is still affecting UTA's revenue sources.

Capital sources of funds are \$112.7 million, a decrease of \$38.7 million or (25.5) % from the FY21 forecast. The primary sources are detailed below:

- Grant funding has a decrease of \$33.8 million. These funds are used for specific approved capital projects.
- Leasing sources of funds has a decrease of \$19.1 million. These funds are used for the purchase of revenue vehicles and is determined by the revenue vehicles replacement plan.
- Utah State funding for capital projects has increased of \$28.6 million. These funds are used for specific approved capital projects.
- Local funding from local communities and organizations decreased \$14.5 million. These funds are used for specific approved capital projects.

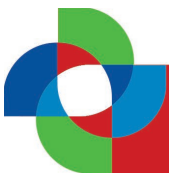
## **Summary – 2022 Uses**

Operating uses of funds are \$356.1 million, an increase of \$33.8 million or 10.5% from the FY21 budget. The primary uses are detailed below:

- Employee compensation and benefits increased 7.8% and 10.8% respectively. These increases are due to an average wage increase of 3.1%, increased benefits costs of 7.5%, and the reestablishment of hiring after a pause due to the economic impact of COVID. The FY22 budget includes the hiring of 133 FTE's.
- Fuel costs are budgeted at an increase of 14.9%. Fuel prices have increased significantly due to supply chain and demand issues. The FY22 budget assumes \$2.50 per gallon for diesel and \$2.35 per gallon for gasoline.
- Utilities costs are projected to increase 7.3%. Greater importance will be placed on utility costs as UTA balances the bus fleet with electric service vehicles.
- Parts represent a 1.3% increase primarily due to increases in prices for parts and increased shipping cost. Overall usage of parts is expected to decline if those two factors are excluded from parts costs.

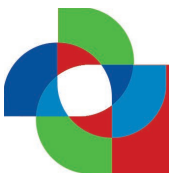
Capital uses of funds are \$228.1 million, this represents a reduction of a decrease of about \$28 million over the adopted 2021 Budget. The primary uses are detailed below:

- Major capital projects such as: \$32.6 million Depot District transit center, \$25.5 million Ogden/Weber State University BRT (OSX), \$15.0 million Frontrunner double tracking project, and \$15.0 million for the beginning of the Mid-Valley Connector (BRT) in Salt Lake County.



- UTA has allocated \$71.4 million to continue efforts to bring all transit systems into a state of good repair. This includes capital budget toward vehicle replacements, technology replacements and upgrades, facility maintenance, rail vehicles overhauls and rail system replacements.
- Other capital projects consist of, but not limited to, Box Elder right-of-way preservation, wayfinding signage, end of line enhancements, bus garage expansions, video camera sustainability and expansion, arc flash project, facility security, and a Frontrunner paint booth.

Debt Service is cash that is required to cover the repayment of interest and principal on the debt related to UTA's Bond and Leasing program. Total combined debt service for FY22 is \$153.2 million, which includes Leasing debt of \$10.5 million. The FY22 debt service budget also reflects the ongoing offset of \$8.9 million from the federal interest subsidy related to the Build America Bonds issued in 2012.



## Sources – 2022 Detail

### **Sales and Use Tax**

The largest operating source of revenue for the Authority is a local sales tax, which is imposed by the individual jurisdictions within the service area of the Authority. In July 2019, the Salt Lake County Council and the Utah County Commission approved increasing their tax rate by 0.25 percent with 0.10 percent dedicated to UTA.

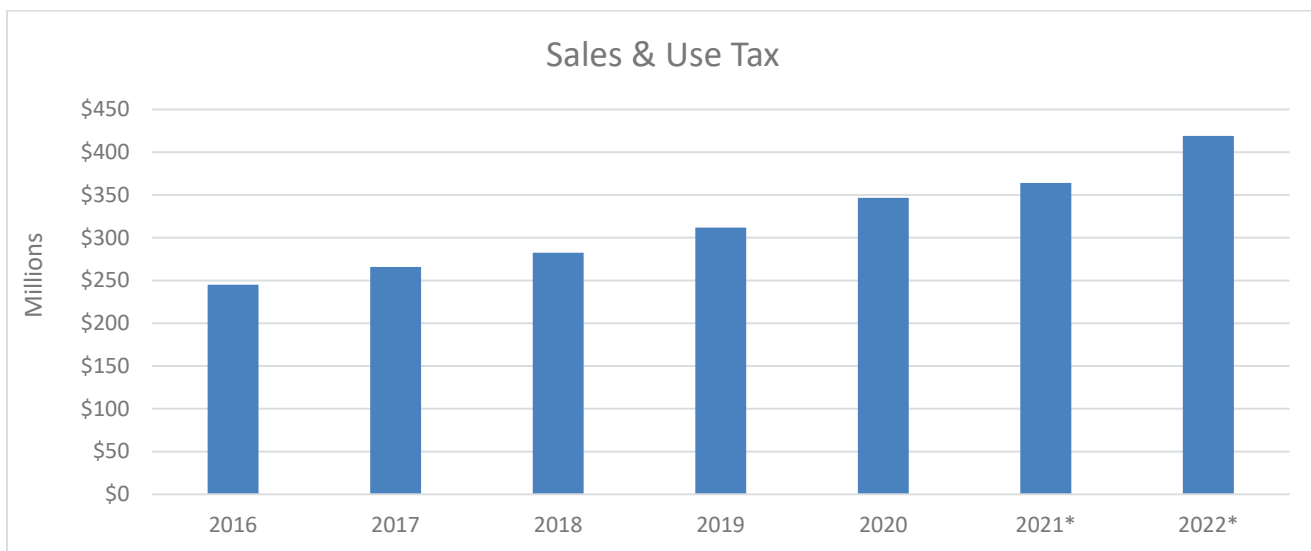
UTA's sales tax is applied by each jurisdiction within the service area to gross taxable sales within the service district. From 2004 through 2020, gross taxable sales have grown by an average of 7.0%. Sales tax forecasting is a priority for UTA, and in 2021 UTA engaged Stephen C. Bannister, PH.D. Associate Director of Economics at the University of Utah to provide an expert view of historical sales tax data and generate the most accurate forecast possible, using the best methodology available.

### **2022 Sales Tax Revenues - \$419.1 million:**

The 2022 Budget assumes a 4.5 percent increase over 2021 projected sales tax collections. The estimate is based on the University's Economic Development Unit (EDU), projected sales tax growth rates applied to an adjusted 2021 projection using actuals through July. The estimate is generated using EDU's econometric models. Sales tax forecasts will be updated by EDU in October and will inform the Final 2022 Budget and supporting 5-year Capital and financial plans.

Year	2017	2018	2019	2020	2021*	2022*
Sales Tax	\$245,008,000	\$265,770,000	\$298,640,000	\$361,591,000	\$401,500,000	\$419,100,000

\*Budget/Projected

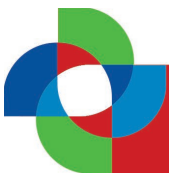
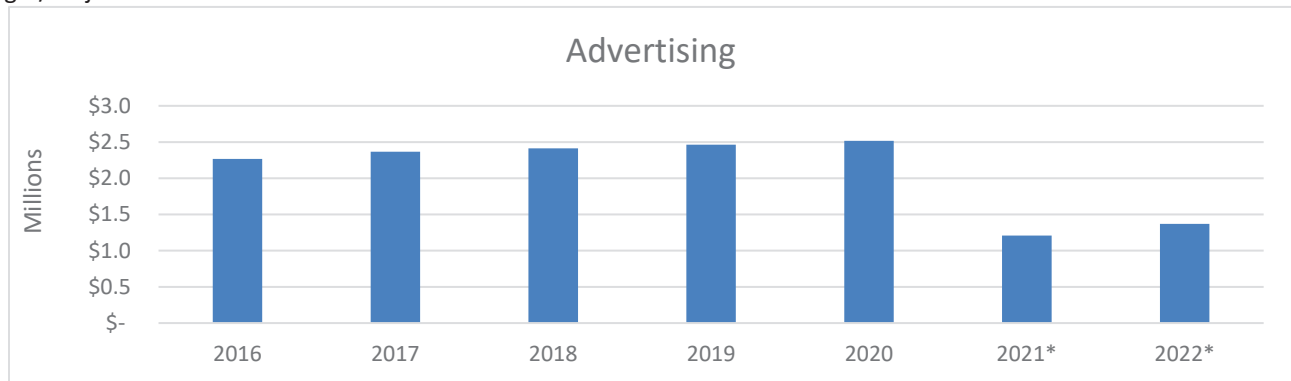


## Advertising

Advertising revenues for the Authority come from the lease of exterior space on the sides and rear of bus, light rail vehicles, and the signage inside of commuter rail cars. The annual growth rate for advertising over the last four years has been declining. For 2021 and 2022 advertising is projected to produce \$1.2 million and \$1.4 million, a decrease due to the economic conditions related to the impact of COVID.

Year	2017	2018	2019	2020	2021*	2022*
Advertising	\$2,367,000	\$2,413,000	\$2,463,000	\$2,035,000	\$1,208,000	\$1,370,000

\* Budget/Projected



## Passenger Revenue

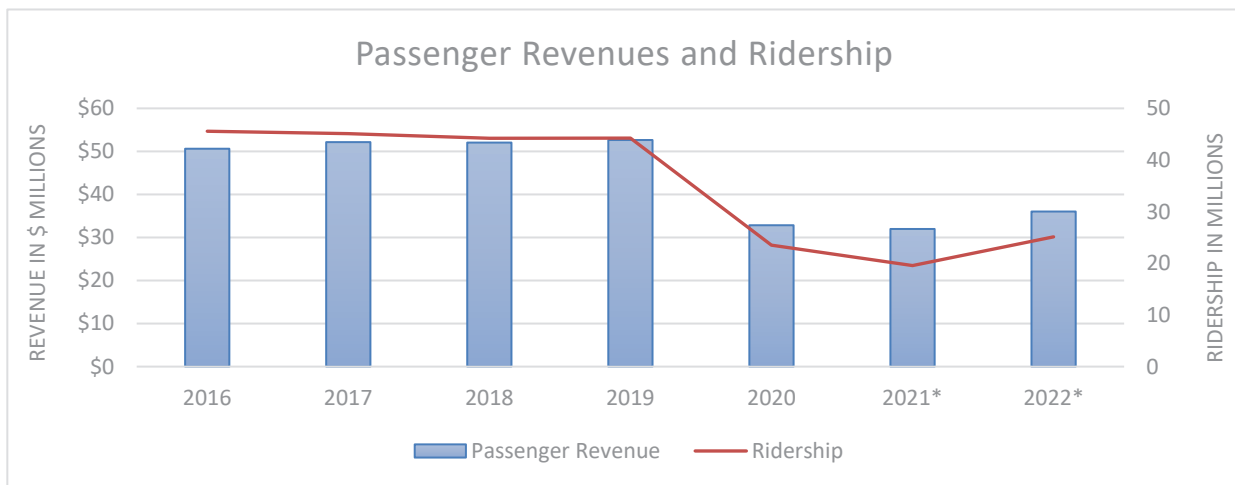
Since 2013, the Authority’s base fare has been \$2.50. Fares range from \$1.25 for senior citizens to \$5.50 for premium express service. Additional service in Salt Lake City and Salt Lake County, service increases planned in 2022, and continued population and employment growth, will all contribute to an increase in passenger revenues.

### 2022 Passenger Revenue – \$36.0 million:

Ridership and fares recovered roughly as projected in the 2021 budget. The 2022 budget assumes a 12 percent increase in passenger revenues, driven by continued growth in ridership. The 5-year plan assumes that passenger revenues will return to pre-pandemic levels by 2025.

Year	2017	2018	2019	2020	2021*	2022*
Passenger Revenue	\$52,159,000	\$52,052,000	\$52,649,000	\$32,845,000	\$31,979,000	\$36,033,000
Ridership*	45,119,782	44,216,695	44,239,223	23,530,441	19,564,000	25,115,000

\* Budget/Projected



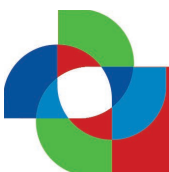
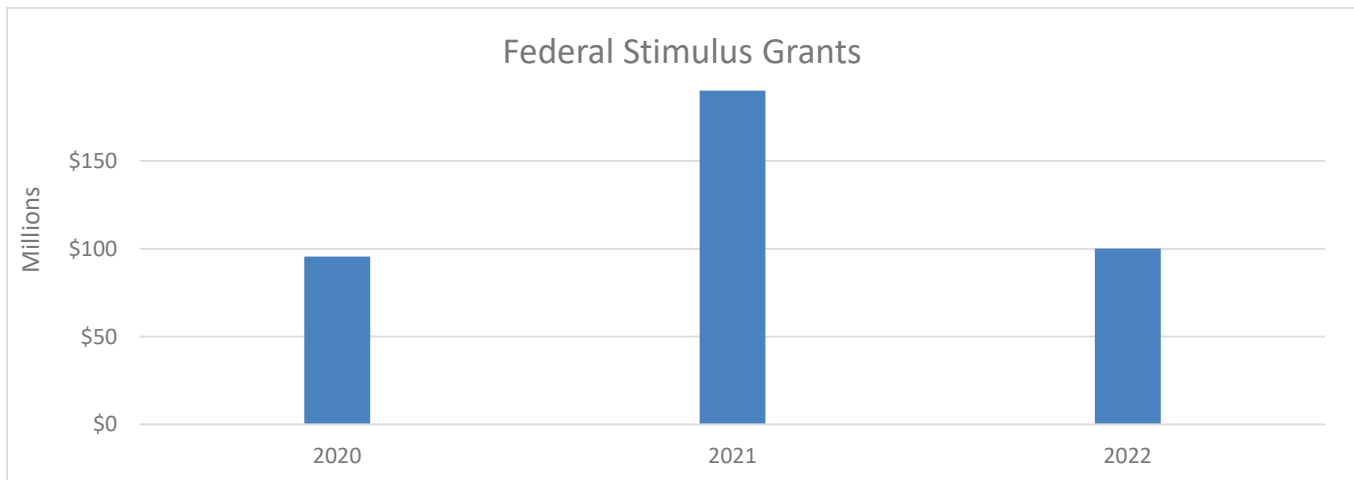
## **Federal Stimulus Grants**

Congress enacted three federal stimulus programs to support Transit Operations in the United States. Funding is provided at a 100-percent federal share, with no local match required, and is available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID. UTA received about \$390 million in federal Stimulus funds from the CARES, CRRSAA, and ARP Acts. These funds were provided to transit agencies to support day-to-day operations, help offset lost fare revenues and support the economic recovery.

Operating expenses incurred beginning on January 20, 2020, were eligible including expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency. CARES Act funding of \$187 million was exhausted in 2021. The CRRSAA Act funding of \$33.6 is also completely drawn down. ARPA reimbursement will occur as follows: \$68 million in 2021 and the remaining \$100 million in 2022.

### **2022 Federal Stimulus Funding - \$100.1 million:**

UTA has aggressively drawn down these funds and will exhaust the last of them (ARPA) in 2022. UTA has used these funds to support service, retain its workforce, offset lost fare revenues, and position itself to support economic recovery in the region.



## **Federal Preventive Maintenance Formula Grants**

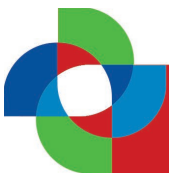
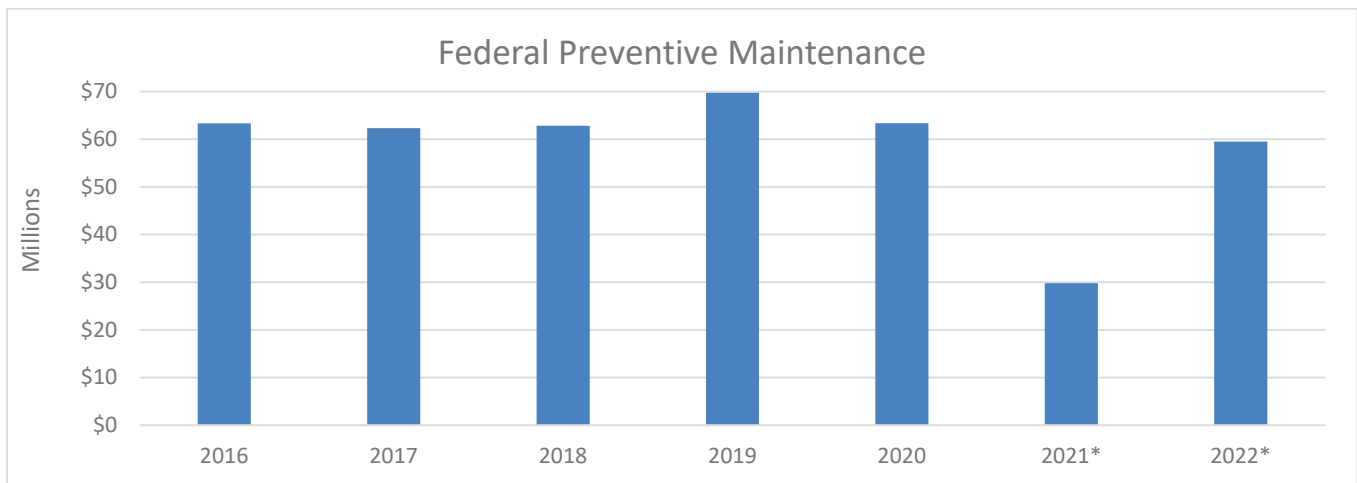
In 2016 the Transportation Bill, Fixing Americas' Surface Transportation (FAST) was approved by Congress. FAST allows the Authority to use formula funds for preventive maintenance. These formula funds may be used to cover up to 80% of preventive maintenance costs. After operating additional TRAX lines/extensions for 7 years UTA qualified for additional formula funds.

### **2022 Federal Preventive Maintenance – \$59.5 million**

The financial plan assumes \$59.5 million in FTA formula funds to support the operating program (preventive maintenance).

Year	2017	2018	2019	2020	2021*	2022*
Operating Grants	\$62,314,000	\$61,821,000	\$69,746,000	\$63,351,000	\$29,800,000	\$59,500,000

\* Budget/Projected



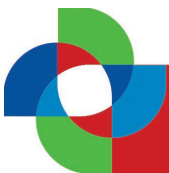
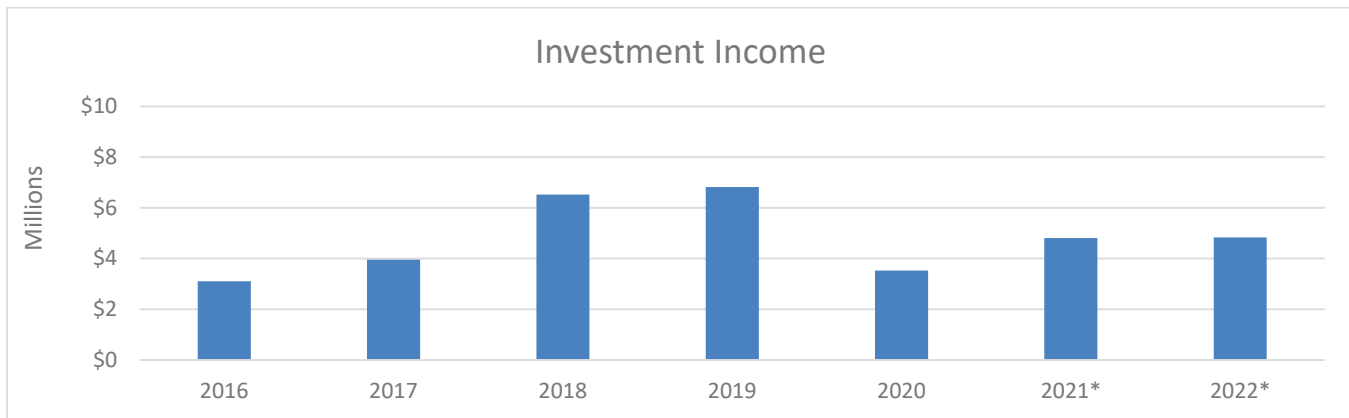
## Investment Income

Interest income consists of interest earned on invested operating funds not yet expended and funds held for future capital expenditures. Some of the Authority's funds are invested with the Public Treasurers Investment Fund managed by the State Treasurer's office; others are placed in investments that can yield a higher interest but are still secure.

Interest rates have fallen below the 2021 projection of 2.30%. An approximate rate of 2.00% is applied to projected reserve accounts in the 2022 Transit Development Plan. Due to the current economic conditions and impacts of COVID, UTA's projected 2021 investment revenues are \$4.80 million with 2022 being projected at \$4.83million.

Year	2017	2018	2019	2020	2021*	2022*
Investment Income	\$3,955,000	\$6,526,000	\$6,822,000	\$3,526,000	\$4,807,000	\$4,832,000

\* Budget/Projected

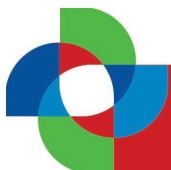
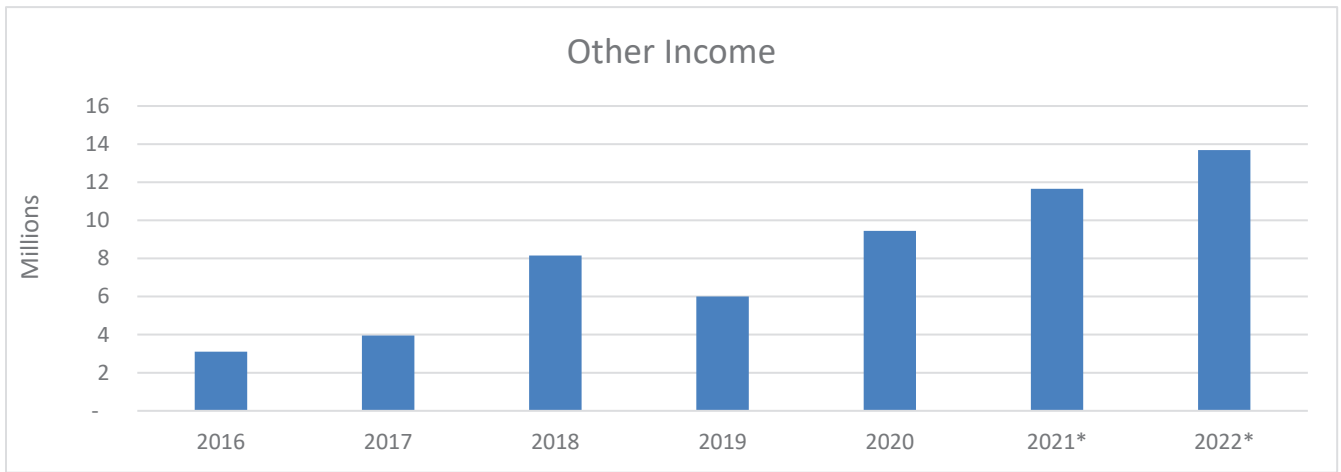


**Other Income**

Other income for 2022 consists of \$6.78 million from Salt Lake City for enhanced bus service, \$3.1 million for enhanced transit services, a \$2.0 million sales tax distribution from the Utah Department of Transportation, \$.62 million from MAG’s passenger fare replacement, and \$1.02 million from transit-oriented development revenues.

Year	2017	2018	2019	2020	2021*	2022*
Other Income	\$3,954,000	\$8,156,000	\$6,001,000	\$9,443,000	\$11,656,000	\$13,687,000

\* Budget/Projected



## Uses – 2022 Detail

### **Debt Service - \$153.2 million:**

Includes the ongoing offset of \$8.9 million from the federal interest subsidy related to the Build America Bonds issued in 2012.

The estimated payment to Utah County under the 2018 interlocal agreement for principal and interest on bonds issued for the UVX BRT program is \$8.9 million.

<b>Debt Service</b>	<b>FY20 Actual</b>	<b>FY21 Budget</b>	<b>FY22 Budget</b>
Administration			
Principal	\$ 31,200,000	\$ 39,165,000	\$ 46,150,000
Interest	96,775,000	96,629,000	96,625,000
Build America Subsidies	(8,893,000)	(8,870,000)	(8,893,000)
Leasing	7,514,000	9,406,000	10,458,000
Other	6,108,000	8,195,000	8,872,000
<b>Administration Total</b>	<b>\$ 132,704,000</b>	<b>\$ 144,525,000</b>	<b>\$ 153,212,000</b>
<b>Total Debt Service</b>	<b>\$ 132,704,000</b>	<b>\$ 144,525,000</b>	<b>\$ 153,212,000</b>

### **Lease payments - \$14.3 million:**

The budget assumes \$14.3 million in 2022 lease payments for UTA's revenue vehicles. UTA leases non-grant backed revenue vehicles, paratransit vehicles and vanpool vehicles.

### **Employee Compensation and Benefits - \$254.1 million:**

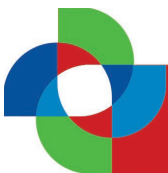
The 2022 budget reflects an 8.7 percent increase over the 2021 budget. The 2022 budget includes an average increase of 3.1 percent for salaries and wages and 7.5 percent for benefits.

### **Utilities - \$6.4 million:**

Includes electricity (excluding propulsion power), heat, light and other utilities. Costs are expected to increase 7.3 percent in 2022, with a significant portion of the increase (\$132,000) driven by higher data circuit charges. Like fuel, UTA staff will monitor utility costs and adjust the Final Budget if necessary.

### **Parts - \$22.8 million:**

2022 budget reflects a \$303,000 (1.3 percent) increase over 2021 budget. Before inflation expectations for parts of 5% and increased freight cost expectations of over \$100,000, total parts usage declines in the 2022 budget versus 2021.



### **Other O&M Costs - \$25.1 million**

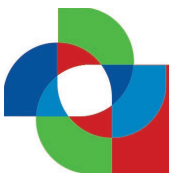
This 2022 budgeted amount represents a \$3.7 million (17 percent) increase over 2021 levels. The increase reflects the one-time costs associated with the Rail Apprenticeship Program (\$5.1 million) and offsets in Agency Contingencies and other offsetting adjustments.

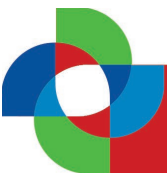
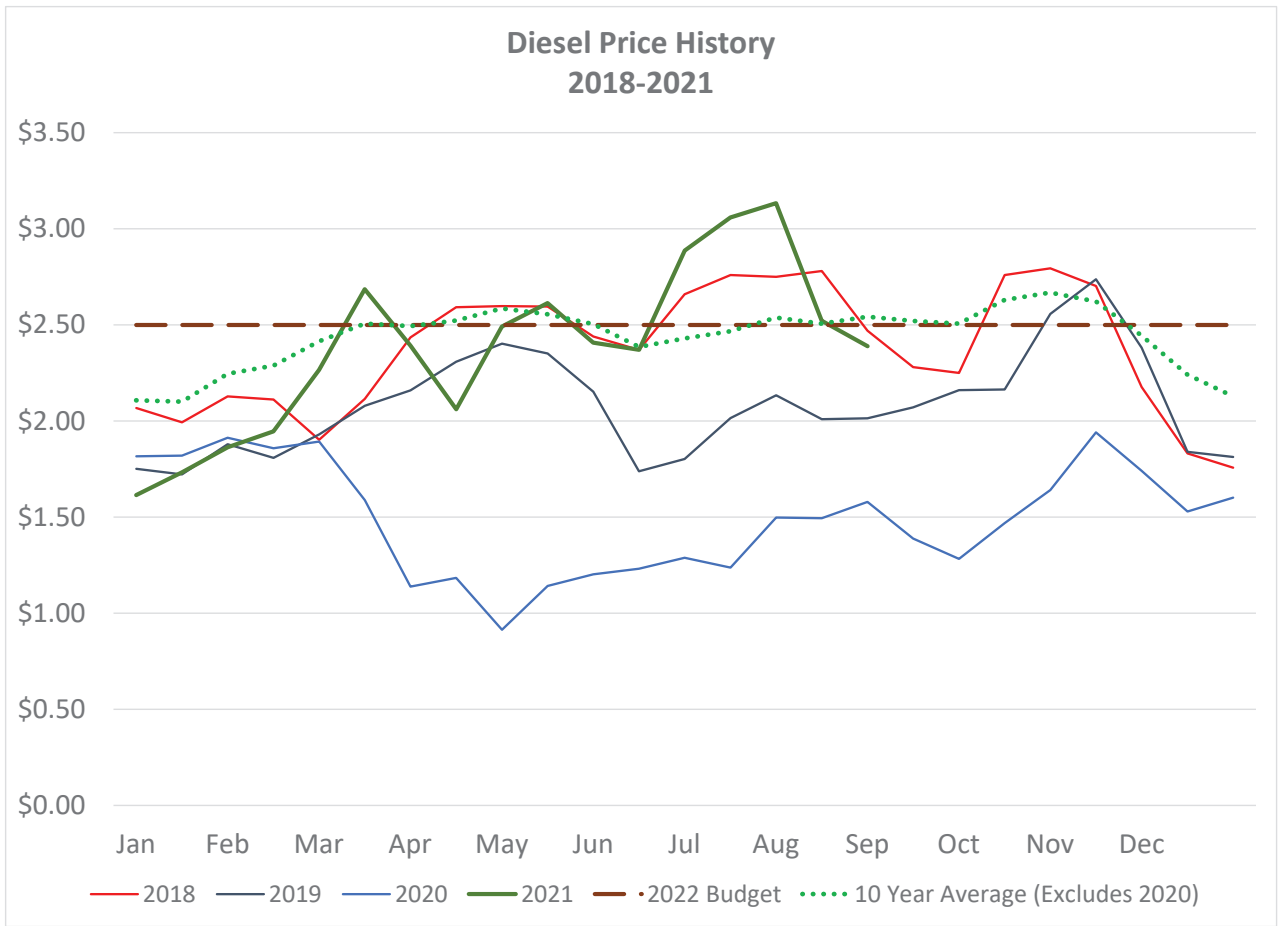
### **Fuel and Propulsion Power - \$25.2 million:**

Fuel is budgeted 20.5 percent or \$3.1 million higher than 2021. Approximately \$1.3 million (43 percent) of this reduction is related to higher consumption and \$1.7 million is due to updated assumptions for 2022 fuel costs. The 2022 Tentative Budget assumes \$2.50/gallon for diesel (\$2.25 in 2021) and \$2.35/gallon for gasoline (\$2.15 in 2021). There is no change in the assumptions for CNG.

Fuel prices have continued to climb over the period that the Tentative Budget was being developed. Fuel prices will be re-evaluated prior to approval of the Final Budget and adjustments will be considered.

Propulsion power cost is expected to increase by about \$105,000 or 1.7%, driven by small changes in miles driven by light rail. No major changes are expected in propulsion power rates during 2022.





## Sources and Uses

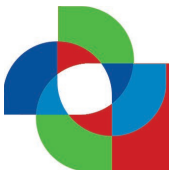
### 2022 Revenue Comparison

	2020 Actual	2021 Forecast	2022 Budget	Change 2022 - 2021
Sales Tax	\$ 361.6	\$ 401.5	\$ 419.1	\$ 17.6
Preventive Maintenance <sup>1</sup>	64.6	29.8	59.5	29.7
Stimulus Funds	95.6	192.8	100.1	(92.7)
Passenger Revenue	32.8	32.0	36.0	4.0
Salt Lake City Revenue <sup>2</sup>	4.1	5.1	6.8	1.7
Investment Income	3.5	4.8	4.8	(0.0)
Advertising Revenue	2.0	1.4	1.4	0.0
Other Revenues	5.3	6.5	7.0	0.5
Total Revenue Sources	\$ 569.7	\$ 673.8	\$ 634.6	\$ (39.2)

#### Footnotes

<sup>1</sup> Final allocations between Federal/Stimulus funds and Operating/Capital will be reconciled in Final Budget

<sup>2</sup> Revenue backed service in Salt Lake City

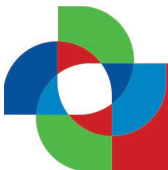


## 5-Year Sources and Uses

		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	<b>Sources</b>	2021	2022	2023	2024	2025	2026
<b>A</b>	<b>Beginning Balance</b>	\$ 333.1	\$ 516.6	\$ 520.6	\$ 431.8	\$ 363.1	\$ 308.1
	Sales Tax	\$ 401.5	\$ 419.1	\$ 437.2	\$ 455.4	\$ 473.6	\$ 491.8
	PM Funds (FTA)	29.8	59.5	73.9	74.6	75.4	76.1
	Stimulus Funds	192.8	100.1	-	-	-	-
	Passenger Revenue	32.0	36.0	40.7	46.2	52.6	55.3
	Capital Sources	151.4	106.7	263.2	191.0	176.3	98.6
	Other Sources	17.8	20.0	19.9	19.3	18.0	21.0
<b>B</b>	<b>Total Sources</b>	\$ 825.2	\$ 741.4	\$ 834.9	\$ 786.6	\$ 795.9	\$ 742.9
	<b>Uses</b>						
	Operating Expense	\$ 322.3	\$ 356.1	\$ 400.1	\$ 418.1	\$ 436.7	\$ 455.9
	Capital Expense	174.9	228.1	360.2	270.3	238.7	147.8
	Debt Service	144.5	153.2	163.4	167.0	175.5	181.7
<b>C</b>	<b>Total Uses</b>	\$ 641.8	\$ 737.4	\$ 923.7	\$ 855.4	\$ 850.9	\$ 785.3
<b>D</b>	<b>Net Change</b>	\$ 183.4	\$ 4.1	\$ (88.8)	\$ (68.8)	\$ (54.9)	\$ (42.5)
<b>E</b>	<b>Ending Balance</b>	\$ 516.6	\$ 520.6	\$ 431.8	\$ 363.1	\$ 308.1	\$ 265.7
<b>F</b>	<b>Reserves</b>	142.0	158.4	162.1	166.0	170.1	168.6
<b>G</b>	<b>Unrestricted Fund Balance</b>	\$ 374.5	\$ 371.5	\$ 273.5	\$ 200.9	\$ 142.1	\$ 95.6

E = A + B - C

G = E - F

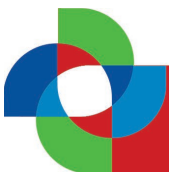


## 2022 Tentative Operating Budget by Mode:

	FY 2021 Budget	FY 2022 Budget	Change
Bus	\$107,925,000	\$116,830,000	\$8,905,000
Light Rail	55,486,000	56,900,000	1,414,000
Commuter Rail	28,948,000	31,721,000	2,773,000
Paratransit	24,025,000	25,888,000	1,863,000
Rideshare/Vanpool	3,645,000	3,705,000	60,000
Operations Support	50,472,000	61,525,000	11,053,000
Administration	44,784,000	49,140,000	4,356,000
Planning/Capital Support <sup>1</sup>	9,228,000	9,377,000	149,000
Non-Departmental <sup>2</sup>	2,000,000	1,000,000	(1,000,000)
<b>Total Division</b>	<b>\$326,513,000</b>	<b>\$356,086,000</b>	<b>\$29,573,000</b>

The operations portion of the 2022 Tentative Budget totals \$356.1 million. The table above shows the allocation of the Operations Budget by line item. Almost 72 percent of the operations budget is dedicated to labor and fringe costs. Together with fuel & power (7.1 percent), parts, net of warranty recovery (6.4 percent), and services (9.1 percent), those four items comprise 94 percent of the total operations budget.

1. Planning/Capital Support is comprised of Planning, Capital Development & Real Estate
2. Non-Departmental contains funds for emerging needs as the region continues to react to and recover from the pandemic



## 2022 Operating Budget Request Detail

Amended 2021 Budget	2021 One -Time Expenses	2021 Additions		2022 Adjustments		2022 Budget		
		Staffing	Service	Wage and Fringe	Other	2022 Base	2022 Additions	2022 Budget Request
\$ 326,512	\$ (6,748)	\$ 1,247	\$ 3,911	\$ 9,369	\$ 3,471	\$ 337,763	\$ 18,323	\$ 356,086

### 2022 Additions

#### Restore Service

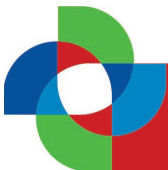
Service Changes	\$ 6,915
Support Costs	656
Rail Apprenticeship Program	5,100
Recruitment and Retention	1,624
Information Technology	1,308
Other Management and Support	1,220
Operating Contingency	<u>1,500</u>
<b>Total</b>	<b>\$18,323</b>

### Restore Service

Building on UTA's service guidelines that provide a gap analysis, consider service contracts and agreements, operational improvements, working conditions, customer, operator and community feedback and the service plan increments outlined in the adopted 5-year service plan, a menu of service options was developed.

These options were weighed and scrutinized for operational feasibility ultimately resulting in a recommended package of service changes across modes and the system.

- \$4.2 million in targeted expansion of service in selected areas, based on expected ridership and partner funding
- Enhanced Frontrunner service of approximately \$1.0 million to help meet requirements associated with new Vineyard station
- Introduction of new Microtransit services of \$1.4 million in the South Davis County and Tooele County areas to provide enhanced service and transit coverage.
- Additional Paratransit service to support service additions
- Additional support for the Transit Communications Center
- Funding for additional transit stop maintenance
- Revenue vehicle overhauls



### **Rail Apprentices Program**

One of the cornerstones of UTA's approach to recruitment and retention is a new Rail Maintenance Apprenticeship program. Leveraging one-time funds UTA is proposing to make a significant investment in this program that will help develop the highly skilled workforce of the future that we will need.

The program will build on the highly successful Bus Apprenticeship program. In 2022, staff will develop curriculum and training materials and purchase training aids for a new training center. This will allow apprentices to develop their skills as they move to journey level. UTA will seek Department of Labor Certification for this program in 2022.

### **Recruitment and Retention**

Like transit agencies all over the country and Utah businesses, UTA is having trouble recruiting and retaining employees. This budget request contains a comprehensive approach including:

- Operator retention strategies that create flexibility and certainty in operator schedules
- Additional bus operator training
- Leadership development and succession planning
- Inclusion and belonging program support
- Employer of Choice branding and onboarding support
- Workforce planning

### **Information Technology**

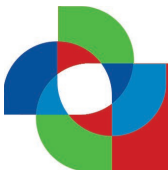
Technology is playing a larger role in the delivery of transit services. This request recognizes the need for ongoing support of existing technology and systems and contains investments in new and emerging technology.

- Increase in utility costs necessary to support Century Link lumen services including creating redundancy in links to remote offices
- Continued rollout of Office 365 begun in 2021
- Upgrades and modifications to the enterprise financial system – JDE
- Azure Cloud Services – providing the necessary hardware/connections and application development support as more of UTA's applications move to the cloud
- Contract support for application and software development to support the agency's business needs

### **Other Management and Support**

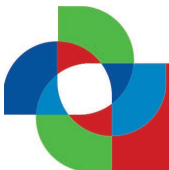
Operating program support across multiple departments, including:

- Airport station customer service staffing
- Public relations outreach
- Payroll processing
- Risk management



## 2022 Budget Request - Staffing

<b>Department</b>	<b>2021 Amended Budget</b>	<b>2022 Proposed Budget</b>	<b>Change FTE FY21 - FY22</b>	<b>Change FTE % FY21 - FY22</b>
Board	13.5	13.4	(0.1)	-0.9%
Executive Director	37.5	41.5	4.0	10.7%
Operations	2,211.7	2,285.2	73.5	3.3%
Finance	105.1	113.5	8.4	8.0%
Service Development	45.0	56.0	11.0	24.4%
Enterprise Strategy	105.0	115.0	10.0	9.5%
Planning & Engagement	71.5	73.2	1.7	2.4%
People Office	59.5	84.0	24.5	41.2%
<b>Totals</b>	<b>2,648.8</b>	<b>2,781.8</b>	<b>133.0</b>	<b>5.0%</b>

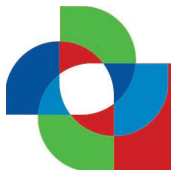
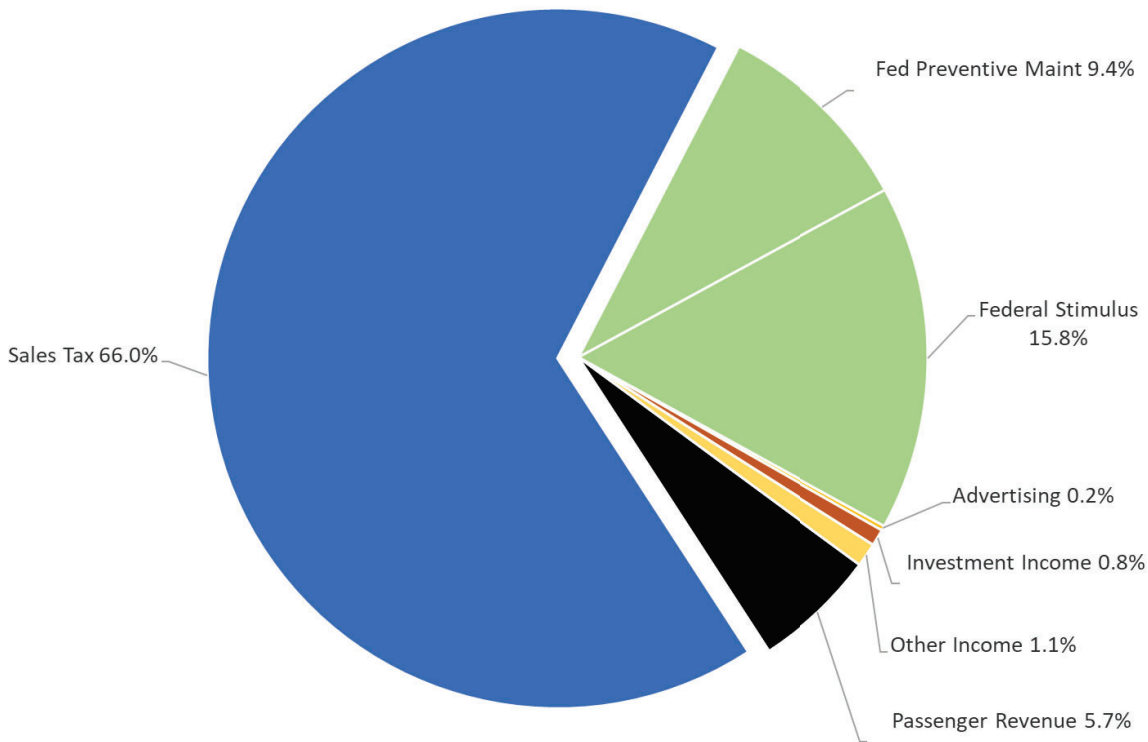


## 2022 Operating Revenue Summary

UTA reports as a single enterprise fund and all revenues are deposited in the UTA Operating Fund. Within this enterprise fund, UTA maintains two budgets –operations and capital. Transfers from the enterprise fund to the Capital program are made as necessary to support investment in the system.

Sales tax revenue at \$419 million, or 70 percent of total revenues, represents the largest funding source for the 2022 budget. Federal stimulus funding totals \$100 million, Federal preventive maintenance totals \$60 million, and passenger revenues total \$36 million. Other revenues include, in order of magnitude, investment income, local support, advertising, and other fees.

**2022 Operating Revenues  
(\$634.5 million)**



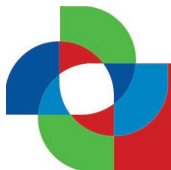
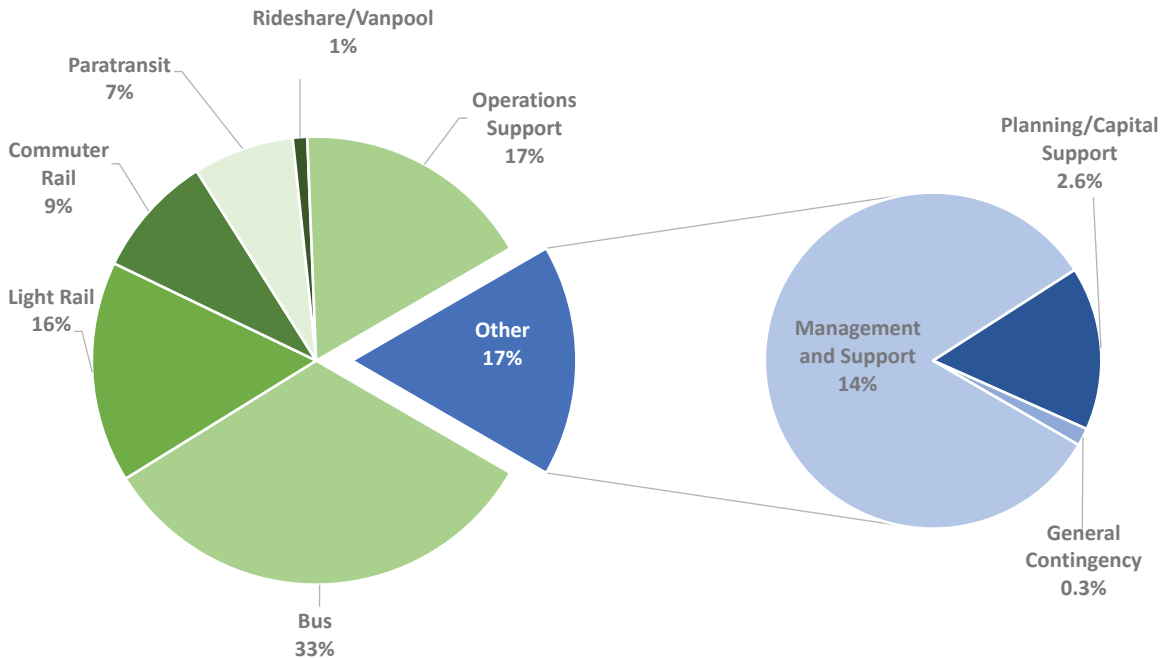
## 2022 Tentative Operating Budget Summary

The 2022 Tentative Operating Budget includes over \$297 million for operations and maintenance of the system, or 83 percent of the 2022 budget request. These functions are represented in the green shaded segments in the graph below.

The “Other” functions (blue segments comprising 17 percent) include Management and Support, Planning/Capital Support and \$1.0 million set aside to fund emerging/emergency needs as UTA and the region continue to react and recover from the pandemic.

Management and Support includes executive leadership and support, human capital management, communications, payroll, accounting, purchasing, warehouse, fares, service development, information technology, strategic planning, continuous improvement, data management, and other functions that support the capital and operating programs at UTA.

**2022 Tentative Operating Budget  
(\$356.1 million)**



## 2022 Tentative Operating Budget

### Summary by Mode

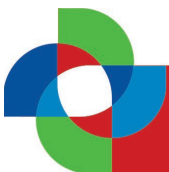
	FY 2021 Budget	FY 2022 Budget	Change
Bus	\$107,925,104	\$116,829,982	\$8,904,878
Light Rail	55,486,453	56,899,729	1,413,276
Commuter Rail	28,948,048	31,721,199	2,773,151
Paratransit	24,024,713	25,888,110	1,863,397
Rideshare/Vanpool	3,644,685	3,704,913	60,228
Operations Support	50,472,071	61,524,988	11,052,917
Administration	44,783,860	49,140,060	4,356,200
Planning/Capital Support	9,227,523	9,376,709	149,186
Non-Departmental	2,000,000	1,000,000	(1,000,000)
<b>Total Division</b>	<b>\$326,512,457</b>	<b>\$356,085,690</b>	<b>\$29,573,233</b>

### Summary by Office

	FY 2021 Budget	FY 2022 Budget	Change
Board	\$2,720,074	\$2,677,442	\$(42,632)
Executive Director	7,890,971	8,445,684	554,713
Operations	254,205,987	270,501,615	16,295,628
Finance	13,863,537	14,589,315	725,778
Service Development	7,274,239	7,781,813	507,574
Planning & Engagement	10,649,039	13,086,278	2,437,239
Enterprise Strategy	19,880,699	22,524,933	2,644,234
People	8,027,911	15,478,610	7,450,699
Non-Departmental	2,000,000	1,000,000	(1,000,000)
<b>Total Division</b>	<b>\$326,512,457</b>	<b>\$356,085,690</b>	<b>\$29,573,233</b>

The 2022 Operating Budget was designed with the following goals:

- Set a strong financial foundation for the future
- Deliver on Capital project commitments
- Ridership recovery and service restoration
- Recruitment and Retention
- Pursue Federal, State, and Partner Funding
- Maintain/grow local partnerships

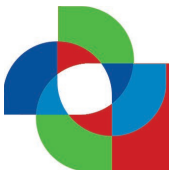


## Summary by Budget Expenses by Category

	FY2021 Budget	FY 2022 Budget	Change
Wages	\$158,368,493	\$170,747,523	7.8%
Fringe	75,243,781	83,340,042	10.8%
Services	30,393,901	33,167,680	9.1%
Fuel	21,938,262	25,210,783	14.9%
Parts	22,518,325	22,821,044	1.3%
Utilities	5,962,312	6,396,797	7.3%
Other O&M	21,419,009	25,064,222	17.0%
Capitalized Costs	(9,331,626)	(10,662,401)	14.3%
<b>Total Budget</b>	<b>\$326,512,457</b>	<b>\$356,085,690</b>	<b>\$29,573,233</b>

### Summary of budget changes

- Increase in fuel due to higher price per gallon and increased service levels vs 2021 levels
- Increase in wages and fringe benefits
- Increase in Contract Services for additional investment in UTA information systems and Microtransit services
- Increase in Utilities expenses to reflect increases in costs for Facilities and Maintenance of Way
- Increase in Other O&M primarily reflects \$5 million increase in investment in new apprenticeship programs to enhance employee recruitment and retention
- Increase in Capitalized Costs reflects increased investment in resources to support 2022-2026 capital program delivery

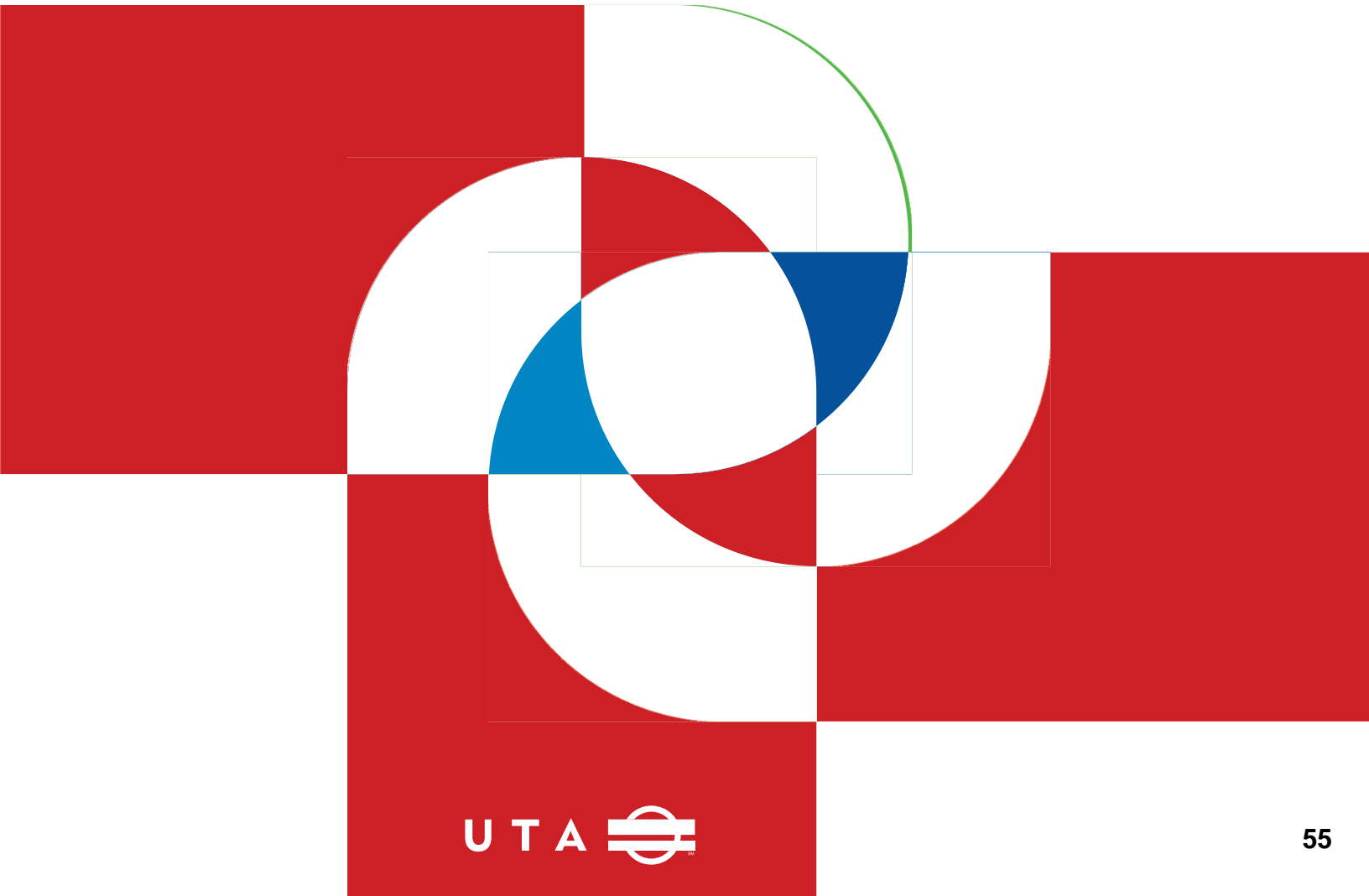


## FTE Summary

	2021 Budget	2022 Proposed	Change
Board	13.50	13.38	(0.12)
Executive Director	37.50	41.50	4.00
Operations	2,211.73	2,285.23	73.50
Finance	105.05	113.45	8.40
Service Development	45.00	56.00	11.00
Planning & Engagement	71.50	73.22	1.72
Enterprise Strategy	105.00	115.00	10.00
People	59.48	84.00	24.52
<b>Totals</b>	<b>2,648.76</b>	<b>2,781.78</b>	<b>133.02</b>

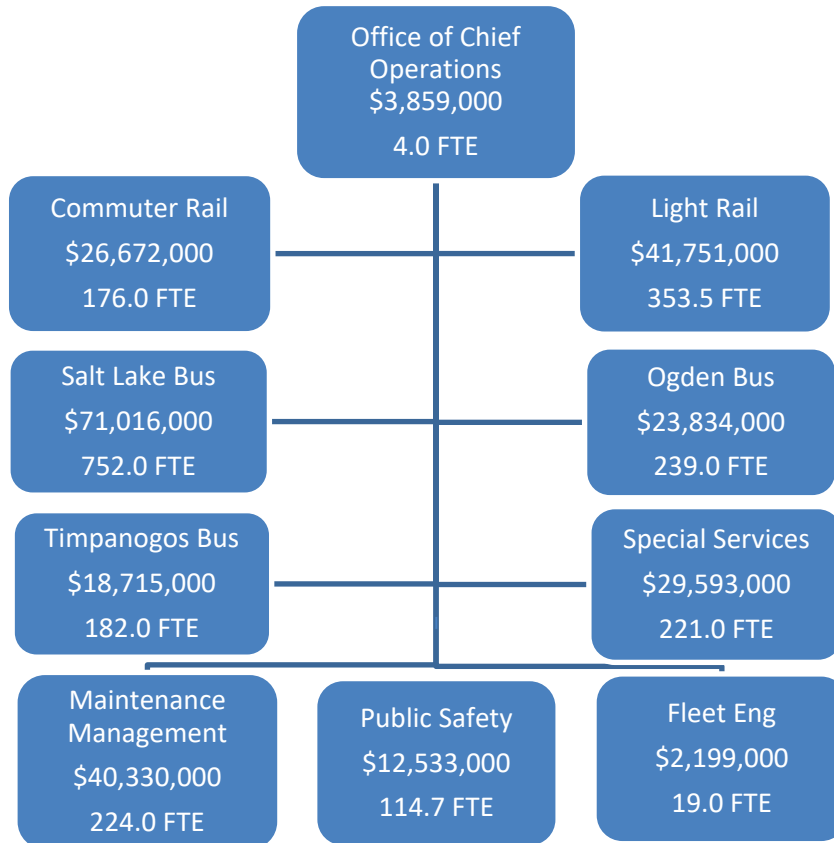


# Departmental Information



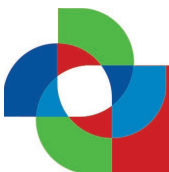
## 2022 Operating Budget by Office, Cost Center, Category & FTE

### Operations



The Operations Office is comprised of six service units covering UTA's service area and Public Safety, Fleet Engineering and Asset Management (Engineering & Support Maintenance) Departments. UTA Operations provides the following functions:

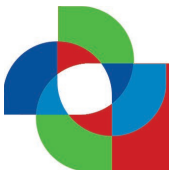
- *Service Operations.* Operate buses, light rail, commuter rail, vanpool, and paratransit services across the UTA service area in a safe and efficient manner.
- *Maintenance Services.* Maintain the buses, rail cars and rail right of way to allow the safe and comfortable operation of services to UTA's customers.
- *Operations Planning.* The Operations Planning Department partners with Service Planning to design and operationalize the adopted 5-year Service Plan.
- *Public Safety.* UTA has an internal police department focused on keeping our community, our riders, and our employees safe. Our police also engage in community service and support our local authorities.
- *Fleet Engineering.* Assists in fleet acquisition and maintenance across all modes.



## 2022 Proposed Operations Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
COO Office*	\$17,495,162	\$18,591,219	\$1,096,057
Maintenance Mgt	39,087,022	40,329,686	1,242,664
Salt Lake Bus	65,624,238	71,015,605	5,391,367
Mt. Ogden Bus	21,838,431	23,834,271	1,995,840
Timpanogos Bus	17,671,215	18,714,968	1,043,753
Special Services	27,669,398	29,593,023	1,923,625
Light Rail	40,775,968	41,751,166	975,198
Commuter Rail	24,044,553	26,671,678	2,627,125
<b>Totals</b>	<b>\$254,205,987</b>	<b>\$270,501,615</b>	<b>\$16,295,628</b>

*\*Includes Public Safety and Fleet Engineering*



## 2022 Operations Budget Changes

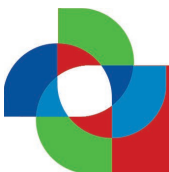
Amended 2021 Budget	2021 One -Time Expenses	2021 Additions		2022 Adjustments		2022 Budget		
		Staffing	Service	Wage and Fringe	Other	2022 Base	2022 Additions	2022 Budget Request
\$ 254,206	\$ (5,062)	\$ (478)	\$ 2,433	\$ 7,683	\$ 3,339	\$ 262,120	\$ 8,381	\$ 270,502

### Summary of budget changes

- Added 99,000 hours of annualized service
- Added 73.5 Headcount
- Increased cost over 2022 baseline \$8,381,000
  - Direct Operating \$5,576,000
    - Includes SLC service mobilization
- Contingency \$2,805,000
  - Service \$1,805,000 (UVX, SLC, Paratransit)
  - Emergency/Emerging \$1,000,000
  - COVID Supplies

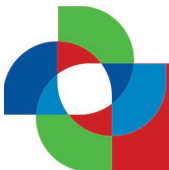
### Operations 2022 Key Initiatives

- Implement expanded service as identified in adopted Five-Year Service Plan
- Continue COVID recovery efforts
- Provide efficient and effective service - ridership, cost, reliability, and minimizing service interruptions (KPI's)
- Ensure safe and secure system with emphasis - avoidable accidents and police presence (KPI's)
- Continue development of the business plan for FrontRunner to create a system-wide service vision and define short- and long-term investments and funding strategies
- Finalize fixed bus fleet replacement plan aligned with Revenue Fleet Replacement Plan
- Support implementation of Rail Apprenticeship Program



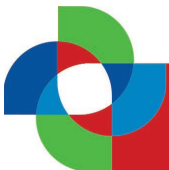
## 2022 Proposed Operations Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$126,653,465	\$134,721,496	6.4%
Fringe	61,909,435	67,547,450	9.1%
Services	12,204,691	12,478,657	2.2%
Fuel	21,875,022	25,021,411	14.4%
Parts	22,265,858	22,456,879	0.9%
Utilities	5,095,134	5,345,648	4.9%
Non-Departmental	0	0	0%
Other O&M	12,179,984	10,837,475	-11.0%
Capitalized Costs	(7,977,602)	(7,907,401)	-0.9%
<b>Totals</b>	<b>\$254,205,987</b>	<b>\$270,501,615</b>	<b>6.4%</b>

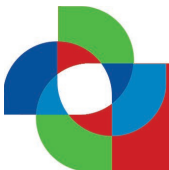
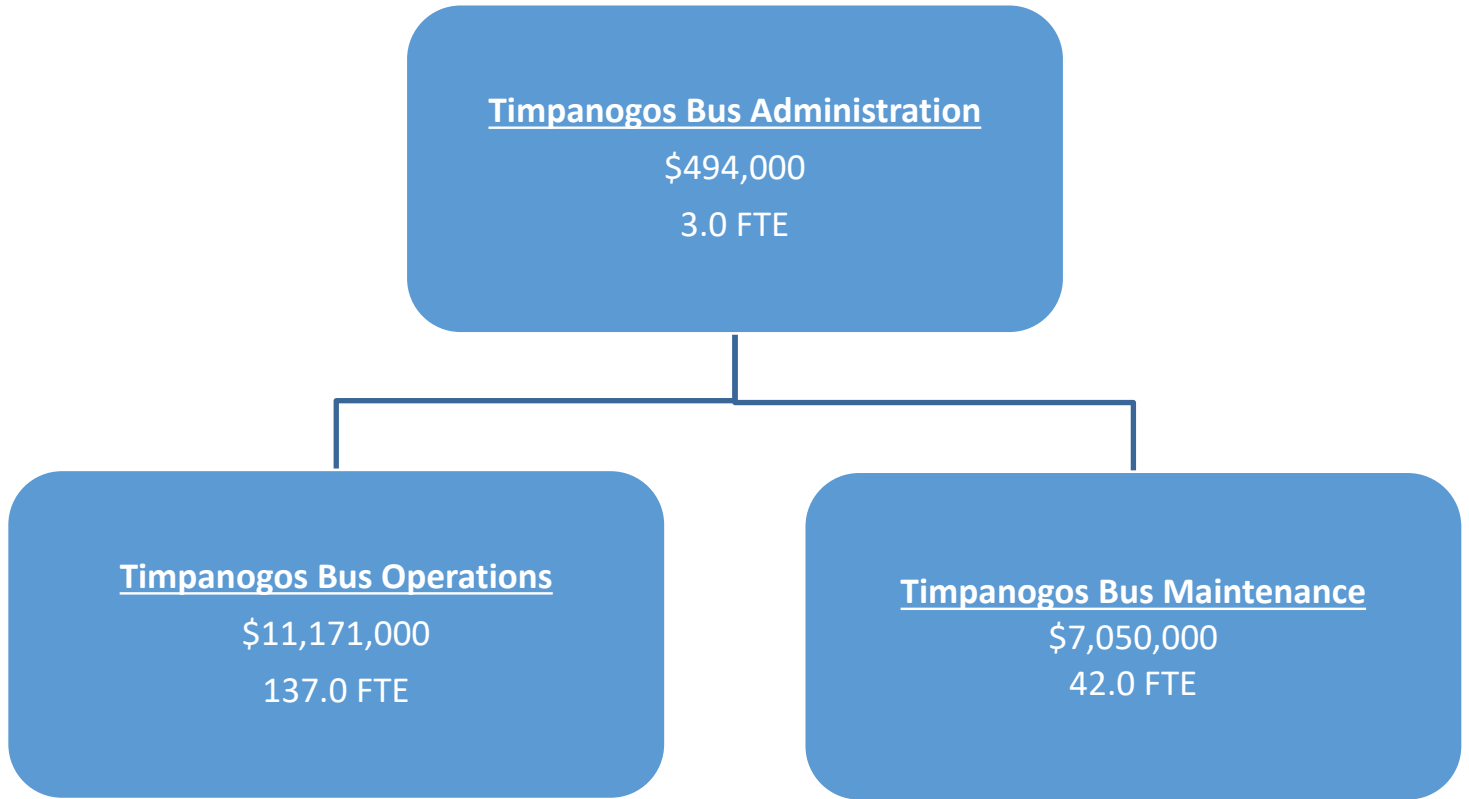


## Operations FTE Summary: 2021 Budget and 2022 Proposed Budget

	2021 Budget	2022 Proposed	Change
COO Office	2.00	4.00	2.00
Public Safety	110.73	114.73	4.00
Fleet Engineering	5.00	19.00	14.00
Maintenance Mgt	224.00	224.00	-
Salt Lake Bus	720.00	752.00	32.00
Mt. Ogden Bus	230.00	239.00	9.00
Timpanogos Bus	179.00	182.00	3.00
Special Services	214.00	221.00	7.00
Light Rail	359.00	353.50	(5.50)
Commuter Rail	168.00	176.00	8.00
<b>Totals</b>	<b>2,211.73</b>	<b>2,285.23</b>	<b>73.50</b>



## Timpanogos Service Unit

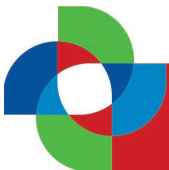


## 2022 Proposed Timpanogos Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
Timp Administration	\$447,693	\$493,966	\$46,273
Timp Operations	10,573,829	11,170,508	596,679
Timp Maintenance	6,649,693	7,050,494	400,801
<b>Totals</b>	<b>\$17,671,215</b>	<b>\$18,714,968</b>	<b>\$1,043,753</b>

## 2022 Proposed Timpanogos Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$9,799,692	\$10,184,833	3.9%
Fringe	4,817,377	5,289,058	9.8%
Services	118,995	121,809	2.4%
Fuel	1,738,621	1,927,445	10.9%
Parts	939,047	925,922	-1.4%
Utilities	12,000	15,900	32.5%
Other O&M	245,483	250,001	1.8%
<b>Totals</b>	<b>\$17,671,215</b>	<b>\$18,714,968</b>	<b>5.9%</b>



## Timpanogos FTE Summary: 2021 Budget and 2022 Proposed Budget

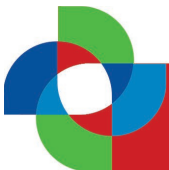
	2021 Budget	2022 Proposed	Change
Timp Administration	3.00	3.00	-
Timp Operations	134.00	137.00	3.00
Timp Maintenance	42.00	42.00	-
<b>Totals</b>	<b>179.00</b>	<b>182.00</b>	<b>3.00</b>

### Summary of budget changes:

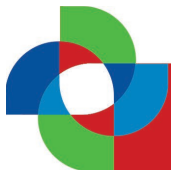
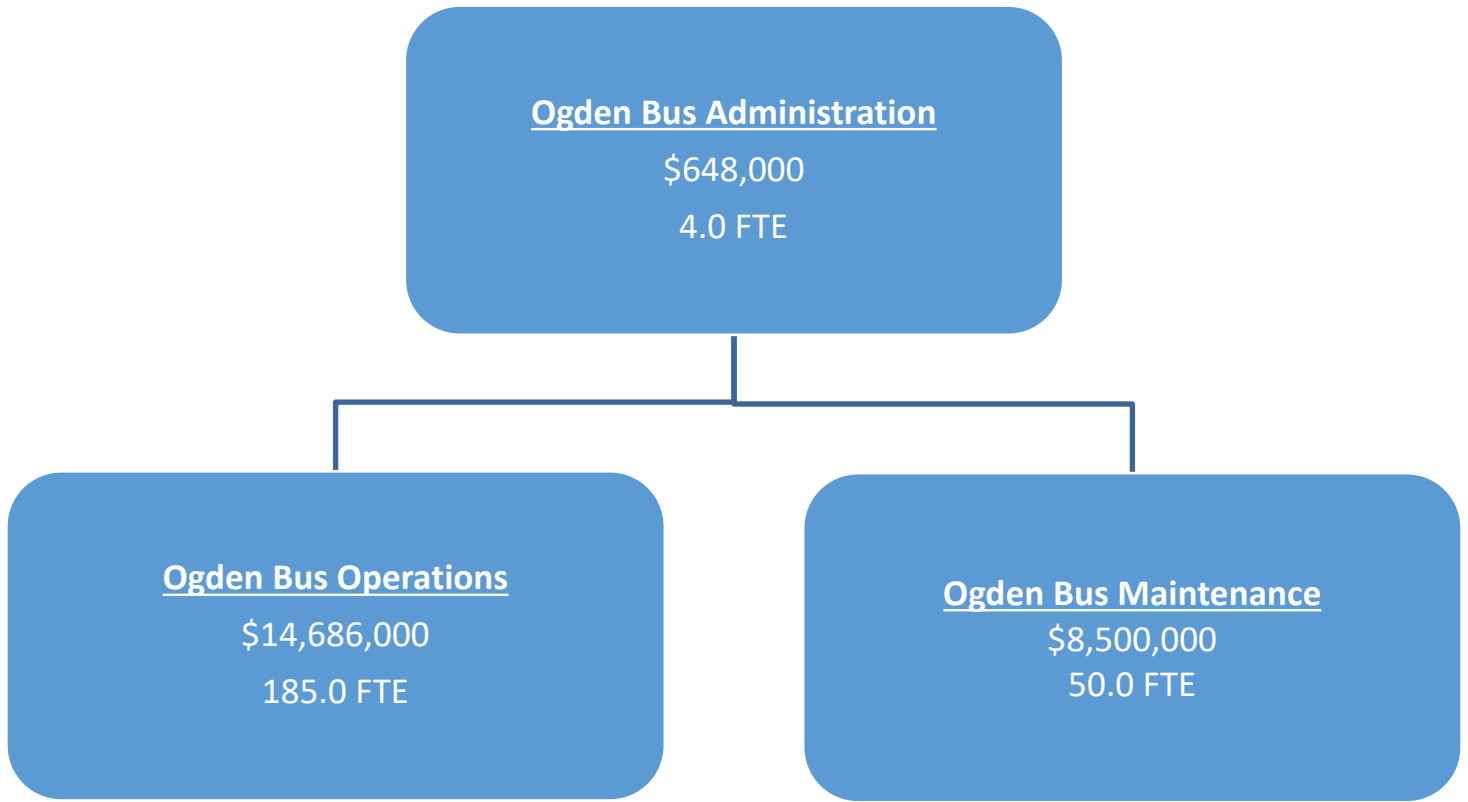
- Extend route 834 from Orem to Vineyard Station (April 2022)
- Adjust 871 service in Lehi Tech Corridor 30 to 60 minutes (August 2022)
- Three additional Operators
- Increased service cost \$326,000

### Key Initiatives:

- Continue COVID recovery efforts
- Meet all COO KPI's providing efficient, safe, and reliable service
- Restore six-minute UVX service during peaks
- Partner with CSDO on Central Corridor implementation study and planning process
- Participate and support the Environmental Impact Study process for the South Valley Transit Study in partnership with CSDO
- Implement Traffic Signal Priority Pilot Project with UDOT for the route 850 (Lehi to Provo on State Street)
- Focus on employee engagement opportunities



## Ogden Service Unit

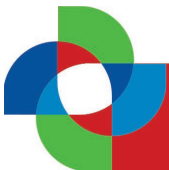


## 2022 Proposed Mt. Ogden Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
Ogden Administration	\$590,920	\$648,015	\$57,095
Ogden Operations	13,355,563	14,686,489	1,330,926
Ogden Maintenance	7,891,948	8,499,767	607,819
Totals	\$21,838,431	\$23,834,271	\$1,995,840

## 2022 Proposed Mt. Ogden Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$12,201,833	\$13,266,820	8.7%
Fringe	6,115,681	6,658,484	8.9%
Services	173,250	191,000	10.2%
Fuel	2,029,256	2,235,368	10.2%
Parts	1,031,426	1,133,454	9.9%
Utilities	12,700	15,000	18.1%
Other O&M	274,285	334,145	21.8%
Totals	\$21,838,431	\$23,834,271	9.1%



## Mt. Ogden FTE Summary: 2021 Budget and 2022 Proposed Budget

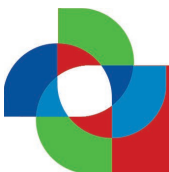
	2021 Budget	2022 Proposed	Change
Ogden Administration	4.00	4.00	-
Ogden Operations	177.00	185.00	8.00
Ogden Maintenance	49.00	50.00	1.00
<b>Totals</b>	<b>230.00</b>	<b>239.00</b>	<b>9.00</b>

### Summary of budget changes:

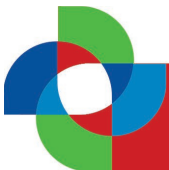
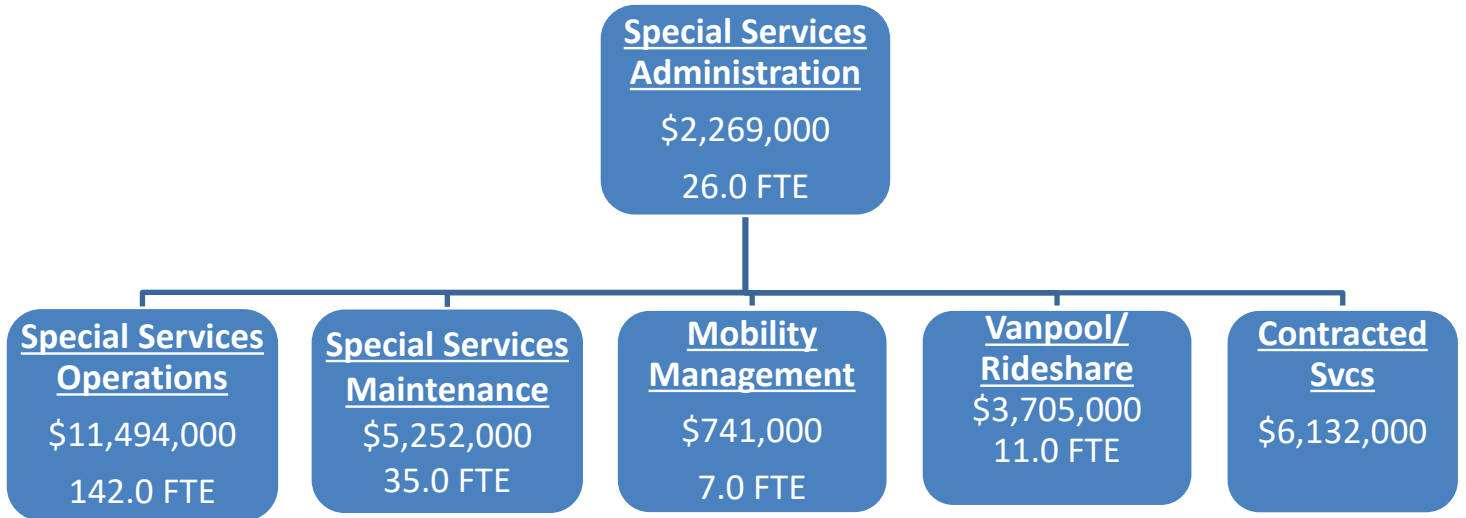
- Begin Weber State Shuttle portion of OGX (Fall 2022)
  - Five additional operators
  - Increased service cost \$260,000
- OGX mobilization
  - BRT Route and Electric Bus training for operations and maintenance
  - One additional Operations Supervisor
  - One additional Mechanic
  - Increased cost \$428,000

### Key Initiatives:

- Continue COVID Recovery
- Successfully implement OGX/Weber State Shuttle
- Integrate eleven Battery Electric Buses and charging infrastructure
- Prepare for OGX opening
- Provide service for Warriors Over the Wasatch Air Show
- Meet all COO KPI's providing efficient, safe, and reliable service
- Focus on customer service and employee engagement
- Rollout new employee suggestion program
- Complete Mt. Ogden administration building expansion design



## Special Services Service Unit

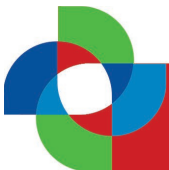


## 2022 Proposed Special Services Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
Special Svcs Administration	\$2,000,181	\$2,269,109	\$268,928
Special Svcs Operations	10,250,052	11,494,224	1,244,172
Special Svcs Maintenance	4,832,223	5,252,225	420,002
Vanpool/Rideshare	3,644,685	3,704,913	60,228
Mobility Management	1,020,616	740,649	(279,967)
Contracted Services	5,921,641	6,131,903	210,262
<b>Totals</b>	<b>\$27,669,398</b>	<b>\$29,593,023</b>	<b>\$1,923,625</b>

## 2022 Proposed Special Services Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$11,231,772	\$12,242,253	9.0%
Fringe	5,687,767	6,376,476	12.1%
Services	6,479,037	6,653,604	2.7%
Fuel	2,228,769	2,593,028	16.3%
Parts	518,944	457,621	-11.8%
Other O&M	1,523,109	1,420,041	-6.8%
Capitalized Cost	-	(150,000)	
<b>Totals</b>	<b>\$27,669,398</b>	<b>\$29,593,023</b>	<b>7.0%</b>



## Special Services FTE Summary 2021 Budget and 2022 Proposed Budget

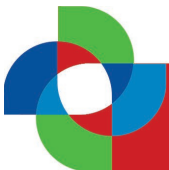
	2021 Budget	2022 Proposed	Change
Special Services Administration	25.00	26.00	1.00
Special Services Operations	137.00	142.00	5.00
Special Services Maintenance	35.00	35.00	-
Vanpool/Rideshare	10.0	11.0	1.0
Mobility Management	7.0	7.0	0.0
<b>Totals</b>	<b>214.00</b>	<b>221.00</b>	<b>7.00</b>

### Summary of budget changes:

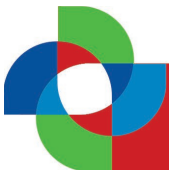
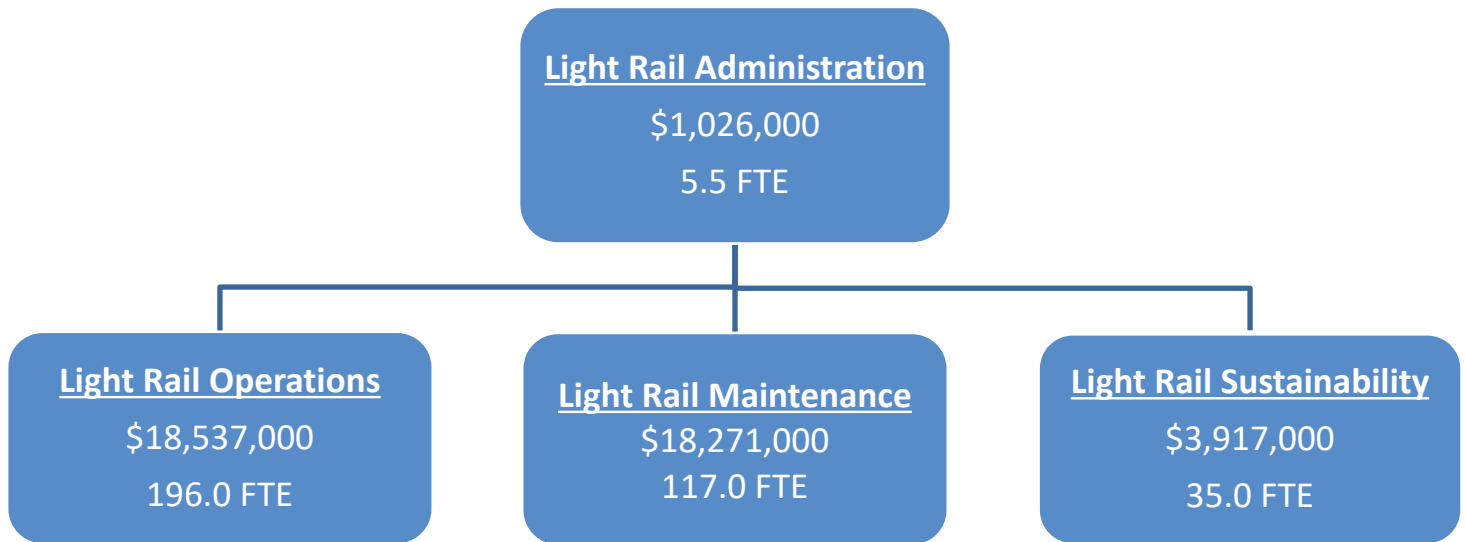
- Increased F-Route service (August 2021)
- Added F514, F11, F202, F525, F232
- Reduced F-Route service in the UTA On-Demand Zone (August 2021)
- Increased service cost \$719,000

### Key Initiatives:

- Continue COVID recovery efforts
- Meet all COO KPI's providing efficient, safe, and reliable service
- Monitor Paratransit ridership and adjust as necessary
- Evaluate scheduling software for future implementation
- Explore TNC (Uber/Lyft/Taxi) pilot as optional Paratransit service
- Convert Tooele service to UTA On-Demand
- Launch eVoucher Program
- Implement Vanpool on-board technology



## Light Rail Service Unit

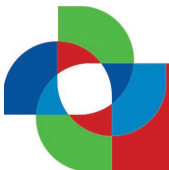


## 2022 Proposed Light Rail Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
Light Rail Administration	\$2,384,438	\$1,026,009	\$(1,358,429)
Light Rail Operations	17,090,669	18,536,751	1,446,082
Light Rail Maintenance	17,666,812	18,271,303	604,491
Light Rail Sustainability	3,634,049	3,917,103	283,054
<b>Totals</b>	<b>\$40,775,968</b>	<b>\$41,751,166</b>	<b>\$975,198</b>

## 2022 Proposed Light Rail Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$22,740,839	\$23,033,401	1.3%
Fringe	10,856,491	11,286,767	4.0%
Services	1,280,372	1,245,432	-2.7%
Fuel	66,910	66,825	-0.1%
Parts	11,215,830	11,468,830	2.3%
Other O&M	1,388,976	1,468,212	5.7%
Capitalized Costs	(6,773,450)	(6,818,301)	0.7%
<b>Totals</b>	<b>\$40,775,968</b>	<b>\$41,751,166</b>	<b>2.4%</b>

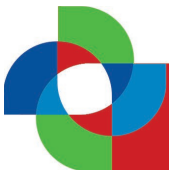


## Light Rail FTE Summary: 2021 Budget and 2022 Proposed Budget

	2021 Budget	2022 Proposed	Change
Light Rail Administrative	18.00	5.50	(12.50)
Light Rail Operations	189.00	196.00	7.00
Light Rail Maintenance	117.0	117.0	0.0
Rail Sustainability	35.0	35.0	0.0
<b>Totals</b>	<b>359.00</b>	<b>353.50</b>	<b>(5.50)</b>

### Summary of budget changes:

- Expanded Service
  - Added 15-minute service (August 2021)
  - Added extended Sunday service to support airport opening (November 2021)
  - Increase service cost \$1,420,000
- Reduced head count
  - Moved 11 employees to Fleet Engineering
  - Moved 2 employees to Training Department
  - Added 7 employees to Operations
  - Cost decrease (\$1,684,000)

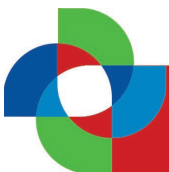
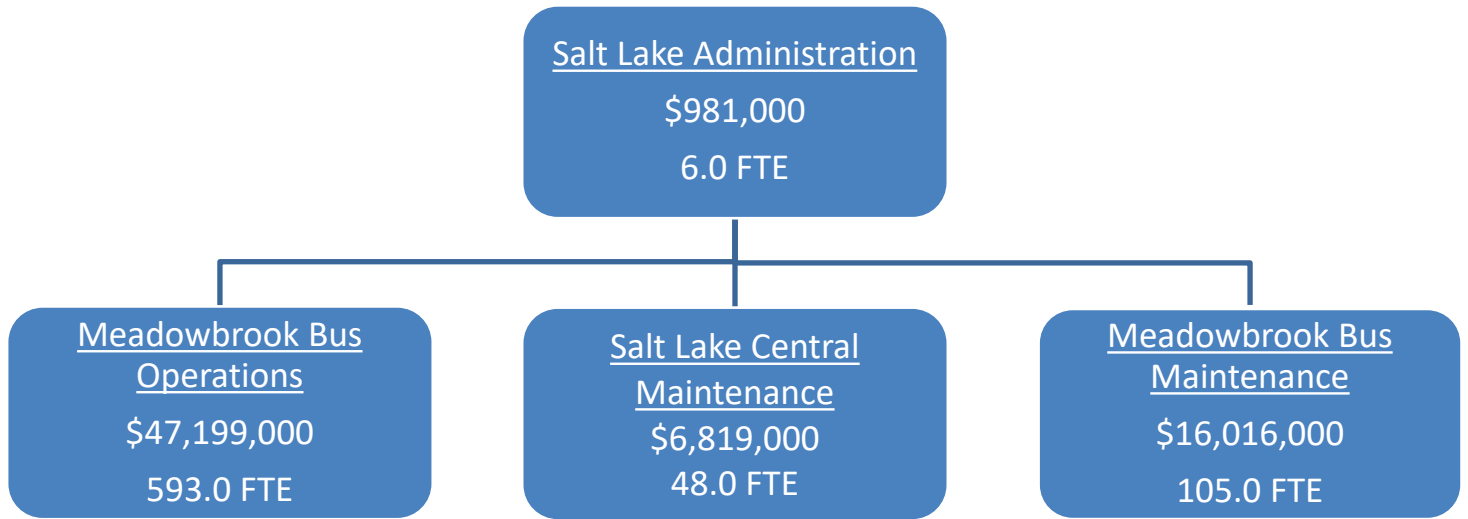


## Key Initiatives:

- Continue COVID recovery efforts
- Meet all COO KPI's providing efficient, safe, and reliable service
- Implement expanded event planning committee
- Complete Light Rail seat replacement project
- Finalize engineering and design of upgraded train communication system
- Open 650 South Station
- Work closely with Service Development on S-Line project
- Coordinate with MOW on SGR efforts to minimize service disruptions
- Support Rail Maintenance Apprenticeship Program



## Salt Lake Service Unit

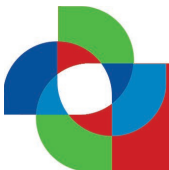


## 2022 Proposed Salt Lake Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
Salt Lake Administration	\$950,796	\$980,759	\$29,963
Salt Lake Operations	43,060,256	47,199,472	4,139,216
Salt Lake Maintenance	21,613,186	22,835,374	1,222,188
<b>Totals</b>	<b>\$65,624,238</b>	<b>\$71,015,605</b>	<b>\$5,391,367</b>

## 2022 Proposed Salt Lake Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$37,454,487	\$40,272,577	7.5%
Fringe	19,157,588	20,925,727	9.2%
Services	408,288	398,400	-2.4%
Fuel	4,762,408	5,246,689	10.2%
Parts	2,914,843	2,862,052	-1.8%
Other O&M	926,624	1,310,160	41.4%
<b>Totals</b>	<b>\$65,624,238</b>	<b>\$71,015,605</b>	<b>8.2%</b>



## Salt Lake FTE Summary: 2021 Budget and 2022 Proposed Budget

	2021 Budget	2022 Proposed	Change
Salt Lake Administration	6.00	6.00	-
Salt Lake Operations	563.00	593.00	30.00
Salt Lake Maintenance	151	153	2.00
<b>Totals</b>	<b>720.00</b>	<b>752.00</b>	<b>32.00</b>

### Summary of budget changes:

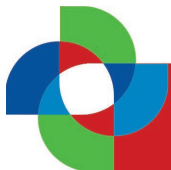
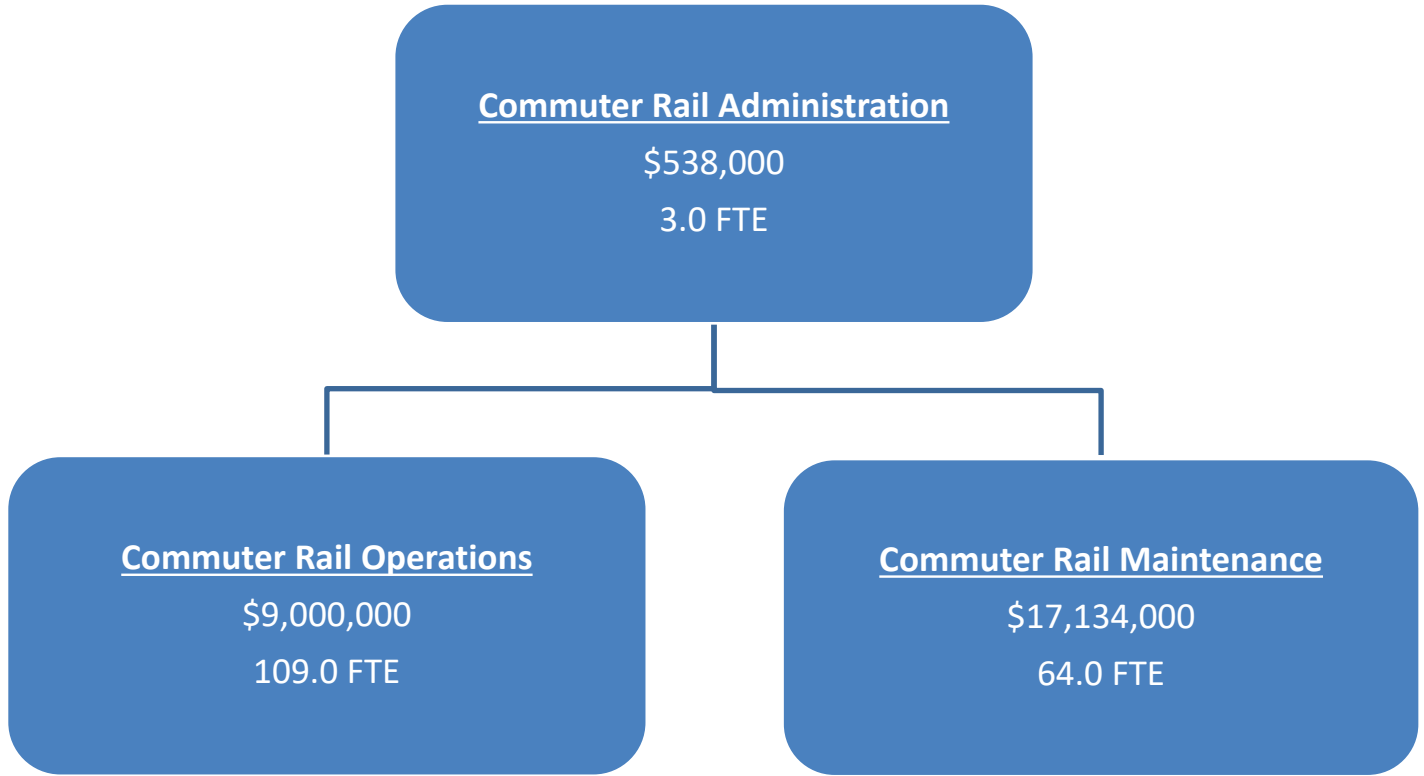
- Mobilization and new service to begin August 2022
  - SLC and SL County Service Improvements
- Transfer Service to Flex Route and On Demand (August 2021)
- Net increased service cost \$2,581,000

### Key Initiatives:

- Continue COVID recovery efforts
- Meet all COO KPI's providing efficient, safe, and reliable service
- Implement increased service in Salt Lake County service
- Prepare for SLC agreement service (August 2022)
- Finalize Meadowbrook Maintenance expansion
- Complete final phases of Depot District construction
- Complete supervisor training
- Implement staffing strategies in current employment market



## Commuter Rail Service Unit

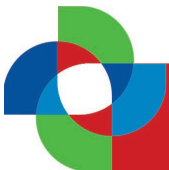


## 2022 Proposed Commuter Rail Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
Com. Rail Administration	\$592,870	\$537,588	\$(55,282)
Com. Rail Operations	8,092,897	8,999,967	907,070
Com. Rail Maintenance	15,358,786	17,134,123	1,775,337
<b>Totals</b>	<b>\$24,044,553</b>	<b>\$26,671,678</b>	<b>\$2,627,125</b>

## 2022 Proposed Commuter Rail Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$10,164,208	\$10,706,410	5.3%
Fringe	4,632,927	4,873,003	5.2%
Services	717,029	809,461	12.9%
Fuel	4,533,989	6,259,684	38.1%
Parts	3,644,311	3,701,000	1.6%
Other O&M	796,241	722,120	-9.3%
Capitalized Costs	(444,152)	(400,000)	-9.9%
<b>Totals</b>	<b>\$24,044,553</b>	<b>\$26,671,678</b>	<b>10.9%</b>



## Commuter Rail FTE Summary: 2021 Budget and 2022 Proposed Budget

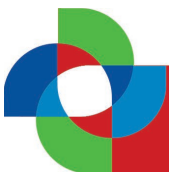
	2021 Budget	2022 Proposed	Change
Com. Rail Operations	98.00	109.00	11.00
Com. Rail Maintenance	66.00	64.00	(2.00)
Com. Administrative	4.00	3.00	(1.00)
<b>Totals</b>	<b>168.00</b>	<b>176.00</b>	<b>8.00</b>

### Summary of budget changes:

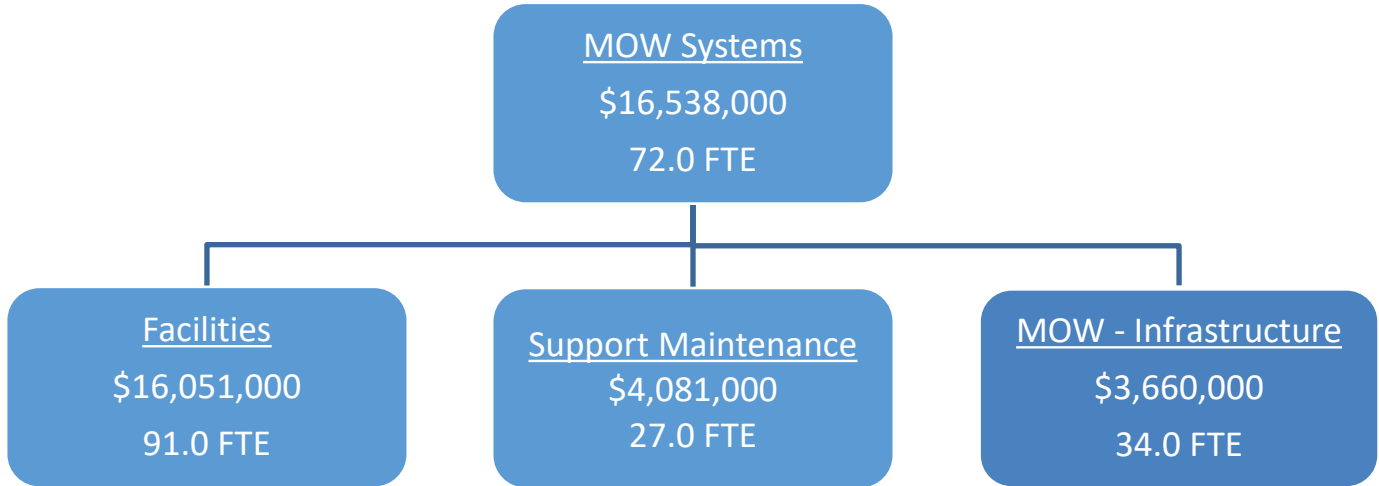
- Added late night service and extended two peak half trips (August 2021)
- Added six additional weekday trips and addition of Vineyard Station (April 2022)
- Moved three FTE to Training
- Increased service cost \$1,026,077

### Key Initiatives:

- Continue COVID recovery efforts
- Meet all COO KPI's providing efficient, safe, and reliable service
- Support Rail Maintenance Apprenticeship Program
- Continue locomotive overhaul
  - Four locomotives annually
- Support opening of Vineyard station and integrate into schedule
- Work with Service Development on FrontRunner Forward Business Plan and project objectives



## Maintenance Management Service Unit



## 2022 Proposed Maintenance Management Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
Support Maintenance	\$4,031,616	\$4,080,771	\$49,155
Facilities	15,441,426	16,050,830	609,404
MOW - Systems	16,088,580	16,537,747	449,167
MOW - Infrastructure	3,525,400	3,660,338	134,938
Totals	\$39,087,022	\$40,329,686	\$1,242,664

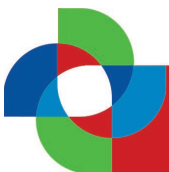


## 2022 Proposed Maintenance Management Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$15,043,550	\$15,361,543	2.1%
Fringe	6,826,504	7,169,020	5.0%
Services	2,910,800	2,954,796	1.5%
Fuel	6,323,069	6,480,423	2.5%
Parts	2,000,165	1,908,000	-4.6%
Utilities	4,729,250	4,960,504	4.9%
Other O&M	1,713,684	1,700,400	-0.8%
Capitalized Costs	(460,000)	(205,000)	-55.4%
<b>Totals</b>	<b>\$39,087,022</b>	<b>\$40,329,686</b>	<b>3.2%</b>

## Maintenance Management FTE Summary: 2021 Budget and 2022 Proposed Budget

	2021 Budget	2022 Proposed	Change
Support Maintenance	28.00	27.00	(1.00)
Facilities	90.00	91.00	1.00
MOW Systems	72.00	72.00	-
MOW Infrastructure	34.00	34.00	-
<b>Totals</b>	<b>224.00</b>	<b>224.00</b>	<b>-</b>

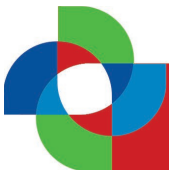


## Summary of budget changes:

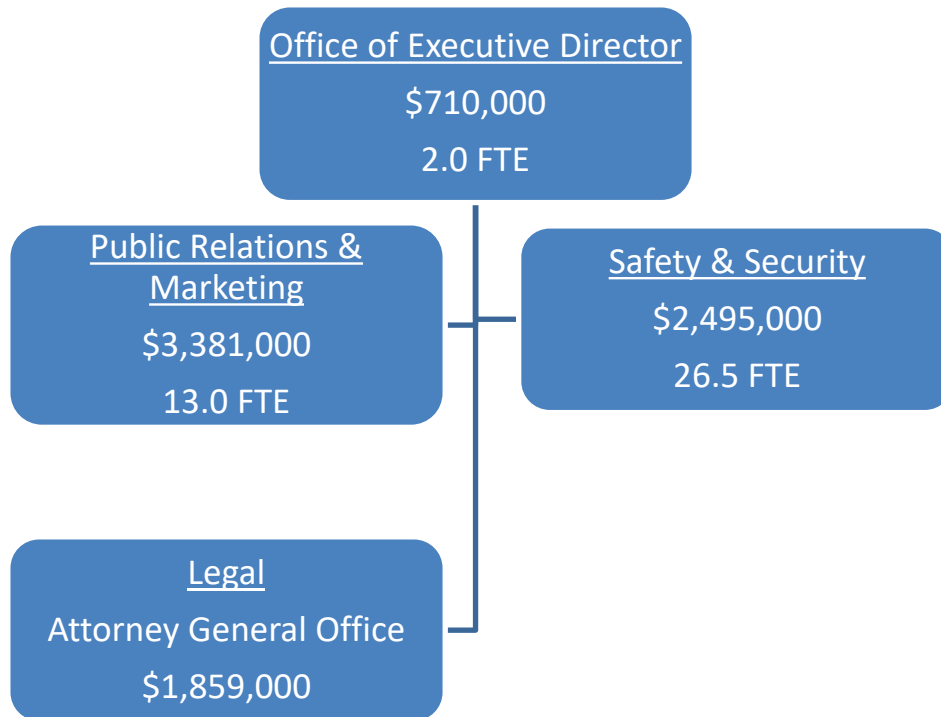
- Enhanced Bus stop maintenance
- Increased contract services for OGX snow removal
- Increased contract services for additional EOL restrooms

## Key Initiatives:

- Develop a bus repair prioritization plan
- Contract third-party utility auditing company to monitor utility billing and rates
- Support MOW apprenticeship training program
- Continue MOW management restructure to meet changing infrastructure needs



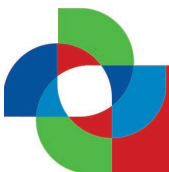
## Executive Director



The Executive Director's Office focuses internally on running the day-to-day organization. The Executive Director sets the annual strategies, initiatives and goals for the Agency and partners with each Executive Office to fulfill UTA's mission.

UTA Executive Office provides the following to make the UTA System work:

- Executive Director. Provides leadership and daily management to UTA's workforce.
- In addition to the six chief offices, the Executive Director also oversees the following departments:
  - *Safety & Security*. Focused on UTA wide safety and security practices and ensuring regulations are met.
  - *Legal*. Works directly with our inhouse representation from the Attorney General's Office.
  - *Public Relations and Marketing*. Coordinates, directs, and implements public relations and marketing of our products and services as well as internal communications.



## 2022 Executive Director Operating Budget Expenses by Division

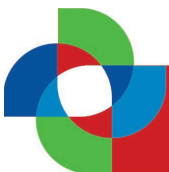
Category	2021 Budget	2022 Proposed Budget	Change
Executive Director	\$680,432	\$710,000	\$29,568
Legal	2,031,752	1,859,162	(172,590)
Public Relations & Mktg	2,978,779	3,381,597	402,818
Safety & Security	2,200,008	2,494,925	294,917
<b>Total Division</b>	<b>\$7,890,971</b>	<b>\$8,445,684</b>	<b>\$554,713</b>

## 2022 Executive Director Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$2,599,152	\$2,889,336	11.2%
Fringe	994,857	1,211,286	21.8%
Services	3,346,700	3,461,500	3.4%
Media	605,000	625,000	3.3%
Other O&M	345,262	420,562	21.8%
Capitalized Cost		(162,000)	(54.0)%
<b>Total Group</b>	<b>\$7,890,971</b>	<b>\$8,445,684</b>	<b>7.0%</b>

Also, under the purview of the Executive Director is the non-departmental cost center which has \$1 million proposed in this budget to fund emerging/emergency needs.

	FY 2021 Budget	FY 2022 Budget	Change
Non-Departmental	\$2,000,000	\$1,000,000	-50%



## Executive Director FTE Summary: 2021 Budget and 2022 Proposed Budget

	2021 Budget	2022 Proposed	Change
Executive Director	2.0	2.0	0.0
Legal	0.0	0.0	0.0
Public Relations & Mktg	11.00	13.00	2.00
Safety & Security	24.50	26.50	2.00
<b>Totals</b>	<b>37.50</b>	<b>41.50</b>	<b>4.00</b>

## 2022 Executive Director Budget Changes

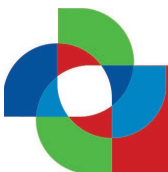
Amended 2021 Budget	2021 One -Time Expenses	2021 Additions		2022 Adjustments		2022 Budget		
		Staffing	Service	Wage and Fringe	Other	2022 Base	2022 Additions	2022 Budget Request
\$ 9,891	\$ -	\$ 141	\$ -	\$ 133	\$ (41)	\$ 10,124	\$ (678)	\$ 9,446

### Summary of budget changes:

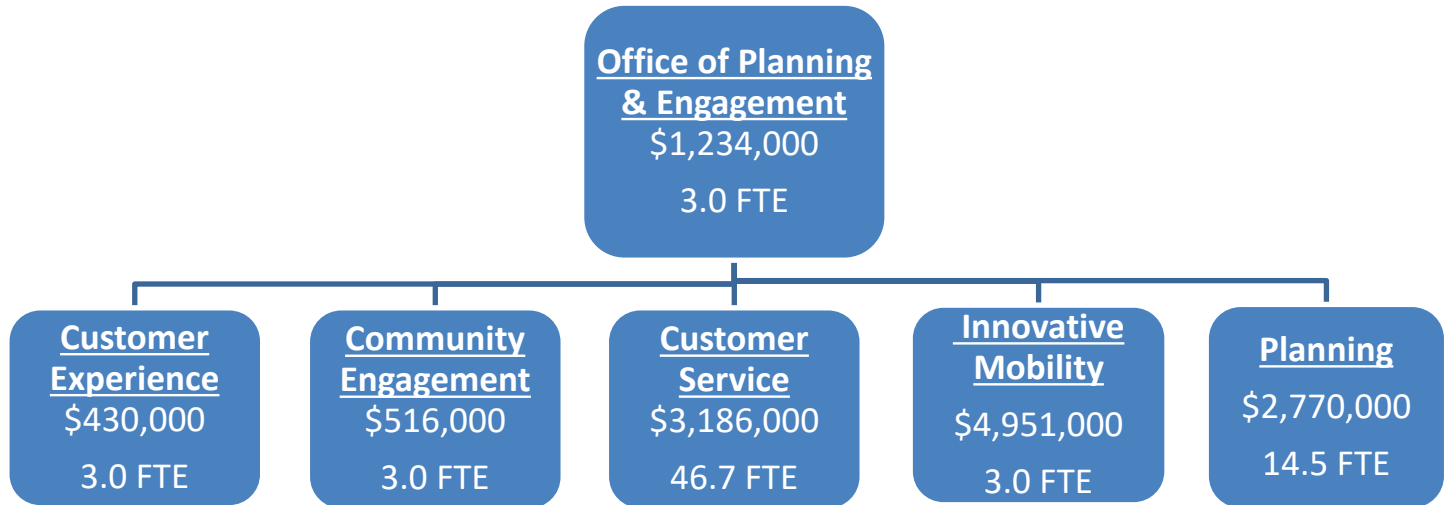
- Added additional legal support position for expanding capital program. The cost for this position will be offset by the capital projects being supported
- Reduced the amount needed for outside legal counsel now that a major litigation effort has concluded
- Reduced the agency contingency from \$2 million to \$1 million. There has been limited use of this contingency in 2021 and the reduced amount is expected to be sufficient

### Executive Director Key Initiatives 2022:

- Set a strong financial foundation for the future
- Deliver on Capital project commitments
- Ridership recovery and service restoration
- Recruitment and Retention
- Pursue Federal, State, and Partner Funding
- Maintain/grow local partnerships



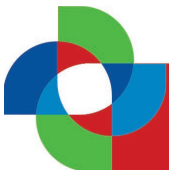
## Planning & Engagement



This Office supports UTA's planning and community engagement efforts focused on customer service, customer experience and providing innovative mobility solutions.

UTA Planning & Engagement provides the following to make the UTA System work:

- *Planning.* The Planning Department's role is to ensure that UTA is prepared to meet the needs of the future. This includes working with local governments, regional and state agencies to anticipate future growth and development and find the right transit solutions to meet those needs.
- *Customer Service.* The Customer Service teams provide information about UTA services, receive and process customer feedback, provide rider information through the Gov Delivery system and social media outlets, sell UTA fare media and handle the lost and found items found on public transit. They are responsible to ensure that customers can maneuver throughout the service areas with confidence in UTA's service districts and service types.
- *Community Engagement.* This team serves as a trusted resource and a catalyst for effective partnerships with UTA's riders, key stakeholders, and community. Acts as a facilitator/access point for public hearings and community events/activities.
- *Customer Experience.* Evaluates UTA's system focused on the impact ease of the customer journey. Partners with service units to ensure consistency across the service area, optimizing customer experience.
- *Innovative Mobility.* Dedicated to help shape the evolving transportation landscape for the riders and communities we serve by identifying opportunities and testing new ideas that can improve our transit service.

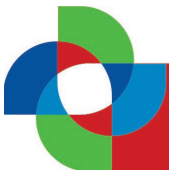


## 2022 Proposed Planning & Engagement Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
Chief Planning & Engagement	\$735,064	\$1,234,236	\$499,172
Service Planning	1,058,247	1,174,694	116,447
Planning	1,953,284	1,594,896	(358,388)
Community Engagement	430,317	515,774	85,457
Customer Experience	330,253	429,812	99,559
Customer Service	3,043,022	3,185,611	142,589
Innovative Mobility	3,098,852	4,951,255	1,852,403
<b>Totals</b>	<b>\$10,649,039</b>	<b>\$13,086,278</b>	<b>\$2,437,239</b>

## 2022 Proposed Planning & Engagement Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$4,007,500	\$4,217,808	5.2%
Fringe	1,778,561	1,972,816	10.9%
Services	4,274,448	5,756,086	34.7%
Fuel	8,740	118,527	1256.1%
Other O&M	579,790	1,021,041	76.1%
<b>Totals</b>	<b>\$10,649,039</b>	<b>\$13,086,278</b>	<b>22.9%</b>



## Planning & Engagement FTE Summary: 2021 Budget and 2022 Proposed Budget

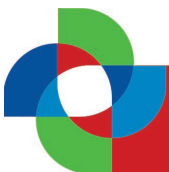
	2021 Budget	2022 Proposed	Change
Planning & Engagement	3.0	3.0	0.0
Service Planning	8.5	8.5	0.0
Planning	6.0	6.0	0.0
Community Engagement	3.0	3.0	0.0
Customer Experience	3.0	3.0	0.0
Customer Service	46.0	46.7	0.7
Innovative Mobility	2.0	3.0	1.0
<b>Totals</b>	<b>71.5</b>	<b>73.2</b>	<b>1.7</b>

## 2022 Planning & Engagement Budget Changes

Amended 2021 Budget	2021 One -Time Expenses	2021 Additions		2022 Adjustments		2022 Budget		
		Staffing	Service	Wage and Fringe	Other	2022 Base	2022 Additions	2022 Budget Request
\$ 10,649	\$ (468)	\$ 28	\$ 910	\$ 226	\$ 149	\$ 11,494	\$ 1,592	\$ 13,086

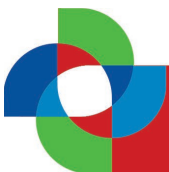
### Summary of budget changes:

- Innovative Mobility service additions and contingency
- Additional Customer Service support for the airport station
- Budget changes due to the reorganization of staff and resource within the department

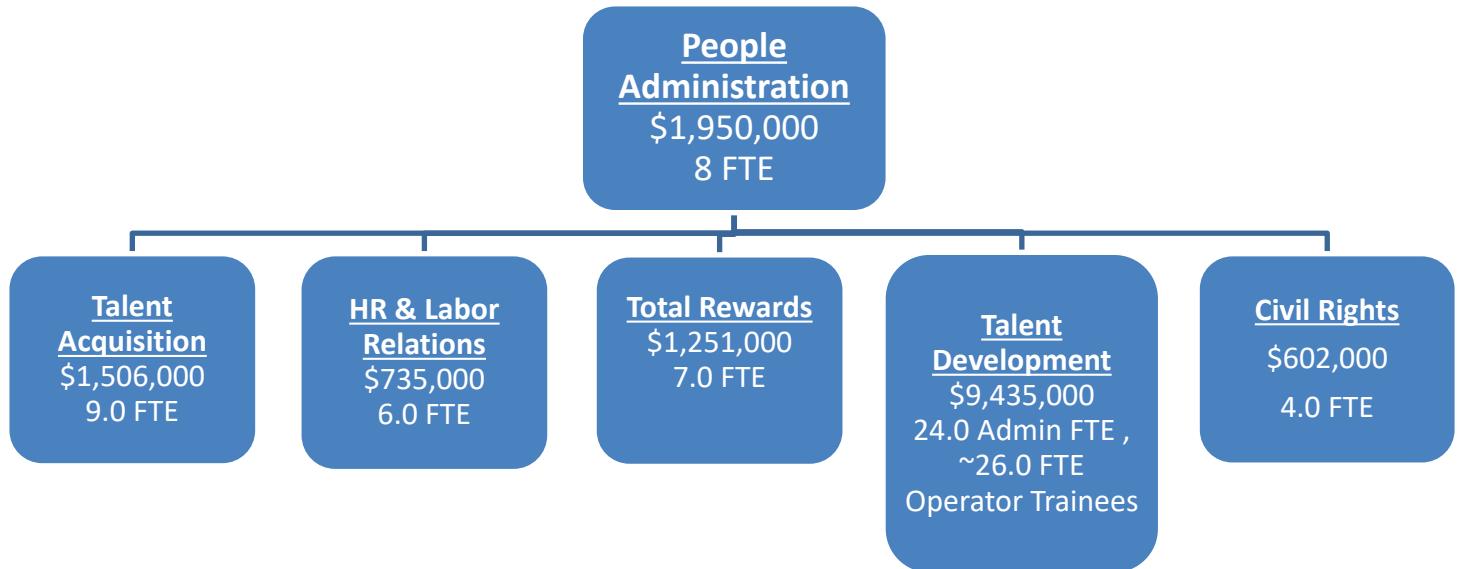


## Planning & Engagement 2022 Key Initiatives

- Major Planning and Engagement Office Initiatives
  - UTA On Demand
  - 5-year Service Plan
  - Long Range Transit Plan
  - CRM technology enhancements
  - Art in Transit
- Other Key Initiatives:
  - Complete agency community engagement assessment
  - Planning document suite alignment
  - Elevate Membership and Sponsorship program through staff participation and DE& I goals



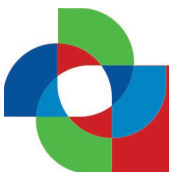
## People



The People Office is focused on providing service to our employees through the entire employee life cycle from recruitment to retirement and ensures UTA's employees and leaders have what they need to succeed at accomplishing the Agencies objectives and goals.

UTA People office provides the following to make the UTA System work:

- *HR & Labor Relations*: From daily HR transactions to long-term talent goals, HR & Labor Relations collaborates with employees and leaders to fulfil the people portion of UTA's business strategies, using deliberate talent management and deployment.
- *Total Rewards*: Manages and administers employee programs such as health & wellness, retirement, and leave administration.
- *Talent Acquisition*: In partnership with hiring officials, the team analyzes current & future staffing needs and identifies effective strategies for sourcing, recruiting, and onboarding.
- *Talent Development*: An internal resource to UTA providing technical, professional, regulatory/compliance training and leadership development that support the UTA Way.
- *Compensation/Analytics*: Embedded within the People Office are also a Compensation Analyst and Strategic Analyst who focus on use data, best practices, and benchmarking to ensure UTA has competitive and fair pay practices and use data to continuously improve compensation practices and impact across the Agency.



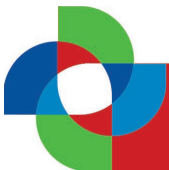
- *Civil Rights:* Ensure UTA remains in compliance with all relevant civil rights laws, regulations, standards, and Executive Orders which prohibit discrimination or harassment of employees, applicants, or customers. This office also oversees UTA's ADA & DBE teams.

## 2022 Proposed People Office Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
Chief People Officer	\$2,167,668	\$1,949,540	\$(218,128)
Talent Acquisition	1,034,769	1,505,991	471,222
Culture & Talent Development	2,532,554	9,434,868	6,902,314
HR Services & Labor Relations	701,305	735,059	33,754
Civil Rights	583,776	602,024	18,248
Total Rewards	1,007,839	1,251,128	243,289
Totals	\$8,027,911	\$15,478,610	\$7,450,699

## 2022 Proposed People Office Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$4,217,293	\$5,285,856	25.3%
Fringe	1,808,959	2,324,055	28.5%
Services	667,733	1,597,611	139.3%
Other O&M	1,333,926	6,271,088	370.1%
Totals	\$8,027,911	\$15,478,610	92.8%



## People FTE Summary: 2021 Budget and 2022 Proposed Budget

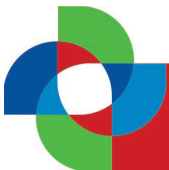
	2021 Budget	2022 Proposed	Change
Chief People Officer	12.00	8.00	(4.00)
Talent Acquisition	9.00	9.00	-
Culture & Talent Development	23.75	50.00	26.25
HR & LR	6.00	6.00	-
Civil Rights	4.00	4.00	-
Total Rewards	4.73	7.00	2.27
<b>Totals</b>	<b>59.48</b>	<b>84.00</b>	<b>24.52</b>

## 2022 People Budget Changes

Amended 2021 Budget	2021 One -Time Expenses	2021 Additions		2022 Adjustments		2022 Budget		
		Staffing	Service	Wage and Fringe	Other	2022 Base	2022 Additions	2022 Budget Request
\$ 8,028	\$ (400)	\$ 458	\$ -	\$ 225	\$ 176	\$ 8,488	\$ 6,990	\$ 15,479

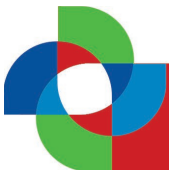
## Summary of budget changes:

- Transferred Records Management staff and coordinating budget to Enterprise Strategy
- Create Rail Maintenance Apprenticeship program
- Support ongoing staffing and service expansion
- Support key recruitment and critical program support

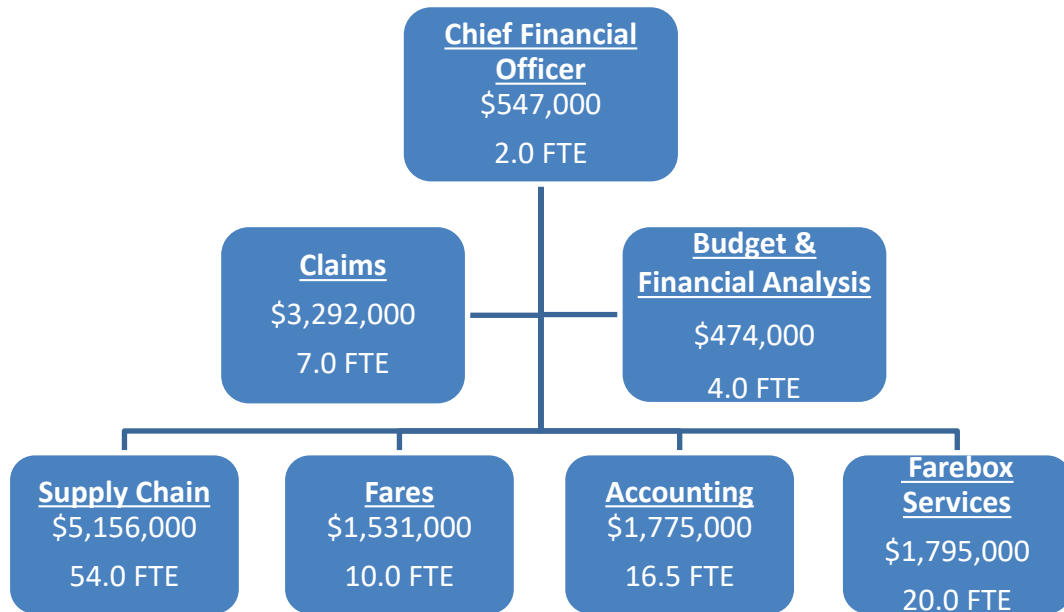


## People 2022 Key Initiatives:

- Design significant portions of three Rail Maintenance Apprenticeship Programs and begin training
- Finalize Inclusion and Belonging Strategic Plan and begin implementation
- Develop workforce planning model to inform medium and long-term needs
- Implement succession planning development activities focused on mid- and senior management
- Continue to adjust recruitment strategies to keep UTA competitive in the labor market and ensure staffing of critical positions
- Implement updated compensation structure and accompanying policies
- Review comprehensive total rewards package



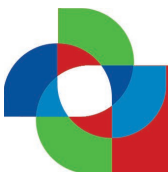
## Finance



Finance ensures UTA practices efficient, sound financial and resource management practices and oversees financial controls necessary to support the enterprise. Finance plans, allocates, and manages UTA's financial resources, leads financial risk management/mitigation, audit management, revenue collection, corporate investments, financial contract relationships, and pension fund and debt management.

UTA Finance office provides the following to make the UTA System work:

- *Budget and Financial Analysis.* Responsible for financial analysis, forecasting and planning, budget development, management, and monitoring/reporting on budget execution.
- *Accounting.* Manages payroll operations, accounts payable, accounts receivable, and financial reporting. Accounting is also the owner of the Enterprise Resource Planning system (ERP) – the financial system of record for the agency.
- *Fares.* Responsible for fare policy development, fare reporting and analysis, program administration of contract fares and all activities related to public fares including fare revenue collections and operations.
- *Supply Chain.* Supply Chain manages procurement, contracting, inventory, warranty claims, shipping & receiving, central warehouse operations and production control processes in support of TRAX, FrontRunner and all administrative functions.
- *Claims and Insurance.* Manages risk and exposure for the agency. The Department manages all UTA claims and insurance programs including property damage, workers compensation, Personal Injury Protection and oversees capital development project insurance programs.
- *Farebox Services.* Responsible for processes related to cash collection and processing including cash pick up, handling, reconciliation, and the reporting and tracking of cash. Farebox Services is also



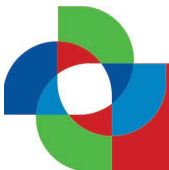
responsible for repairing, maintaining, and keeping all fare collection machines in proper working order and a state of good repair.

## 2022 Proposed Finance Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
CFO	\$529,895	\$546,818	\$16,923
Supply Chain	4,713,937	5,155,686	441,749
Claims & Insurance	3,127,160	3,291,804	164,644
Fares	1,452,111	1,531,322	79,211
Accounting	1,678,615	1,794,507	115,892
Farebox Services	2,025,330	1,795,228	(230,102)
Budget	336,489	473,950	137,461
<b>Totals</b>	<b>\$13,863,537</b>	<b>\$14,589,315</b>	<b>\$725,778</b>

## 2022 Proposed Finance Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$6,669,010	\$7,391,088	10.8%
Fringe	2,961,559	3,381,654	14.2%
Services	1,195,438	732,486	-38.7%
Insurance	2,382,060	2,481,500	4.2%
Other O&M	725,470	963,587	32.8%
Capitalized Expense	(70,000)	(361,000)	415.7%
<b>Totals</b>	<b>\$13,863,537</b>	<b>\$14,589,315</b>	<b>5.2%</b>



## Finance FTE Summary: 2021 Budget and 2022 Proposed Budget

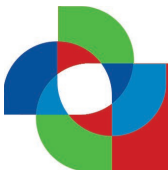
	2021 Budget	2022 Proposed	Change
CFO	2.00	2.00	-
Claims & Insurance	6.60	7.00	0.40
Budget & Financial Analysis	2.00	4.00	2.00
Accounting	16.50	16.50	-
Supply Chain	51.0	54.0	3.0
Fares	10.0	10.0	0.0
Farebox Services	17.0	20.0	3.0
<b>Totals</b>	<b>105.05</b>	<b>113.45</b>	<b>8.40</b>

## 2022 Finance Budget Changes

Amended 2021 Budget	2021 One -Time Expenses	2021 Additions		2022 Adjustments		2022 Budget		
		Staffing	Service	Wage and Fringe	Other	2022 Base	2022 Additions	2022 Budget Request
\$ 13,864	\$ (560)	\$ 129	\$ -	\$ 372	\$ 312	\$ 14,118	\$ 471	\$ 14,589

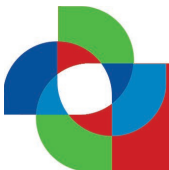
## Summary of budget changes:

- Introduce efficiencies in Fare Collection organization
- Support improved Asset Management and Capital Accounting/Grant Reporting
- Improve invoice processing and reduce time to pay
- Improve payroll processing
- Support Program Delivery and improve efficiency
- Support vehicle overhaul and maintenance program
- Connect near and short-term financial planning and improve use of financial data across the Enterprise

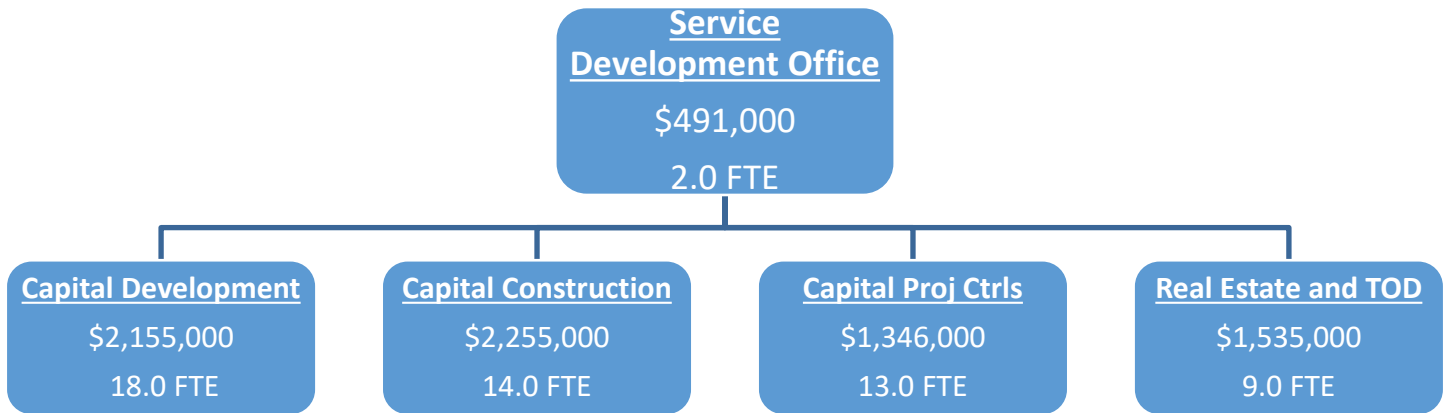


## Finance 2022 Key Initiatives

- Look for opportunities to enhance long term financial viability of UTA
- Bond refunding opportunities
- Support partnership opportunities
- Create models and BI tools to support financial decision making
- Enhance trust and credibility in UTA Finance Office
- Improve processing time and customer service on finance functions
- Provide accurate, timely and complete financial information
- Manage financial audits and reduce recommendations/findings
- Address outstanding audit items
- Continue to strengthen fare collection function



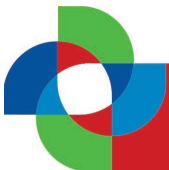
## Service Development



This office oversees UTA's capital work focused on safety, state of good repair, regulatory and service expansion needs.

UTA Service Development provides the following to make the UTA System work

- *Service Development.* Work to transition projects from the visioning and local planning provided by the Planning Department to the project implementation phase.
- *Project engineering.* Responsible for project design, design review, and project construction management.
- *Environmental, Grants, and Project Controls.* Provide support for all departments on grants development, project controls/reporting, asset management, and environmental issues.
- *Real Estate and Transit Oriented Development.* Facilitates the acquisition, lease, management, disposition, and development of all UTA real property. Responsible to protect UTA's real property while generating revenue and upholding UTA's principal objectives.

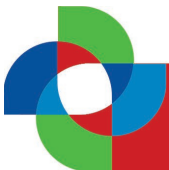


## 2022 Proposed Service Development Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
CSDO Office	\$518,467	\$491,058	\$(27,409)
Capital Development	2,131,572	2,155,494	23,922
Capital Construction	2,632,580	2,254,524	(378,056)
Capital & Project Controls	507,564	1,346,048	838,484
Real Estate	1,484,056	1,534,689	50,633
<b>Totals</b>	<b>\$7,274,239</b>	<b>\$7,781,813</b>	<b>\$507,574</b>

## 2022 Proposed Service Development Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$4,088,457	\$5,178,240	26.7%
Fringe	1,755,916	2,294,221	30.7%
Services	2,279,995	1,741,600	-23.6%
Leases	162,000	162,000	0.0%
Capitalized Cost	(1,257,024)	(2,205,000)	75.4%
Other O&M	244,895	610,752	149.4%
<b>Totals</b>	<b>\$7,274,239</b>	<b>\$7,781,813</b>	<b>7.0%</b>



## Service Development FTE Summary: 2021 Budget and 2022 Proposed Budget

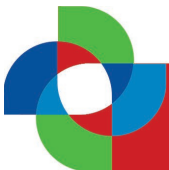
	2021 Budget	2022 Proposed	Change
CSDO Office	2.00	2.00	-
Capital Development	16.00	18.00	2.00
Capital Construction	12.00	14.00	2.00
Capital/Proj Ctrls	6.00	13.00	7.00
Real Estate	9.00	9.00	-
<b>Totals</b>	<b>45.00</b>	<b>56.00</b>	<b>11.00</b>

## 2022 Service Development Budget Changes

Amended 2021 Budget	2021 One -Time Expenses	2021 Additions		2022 Adjustments		2022 Budget		
		Staffing	Service	Wage and Fringe	Other	2022 Base	2022 Additions	2022 Budget Request
\$ 7,274	\$ (184)	\$ 468	\$ -	\$ 213	\$ 3	\$ 7,774	\$ 7	\$ 7,782

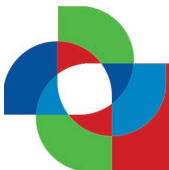
### Summary of budget changes:

- The majority of the 2022 budget changes will be capitalized
- Enhance capital program delivery and support functions

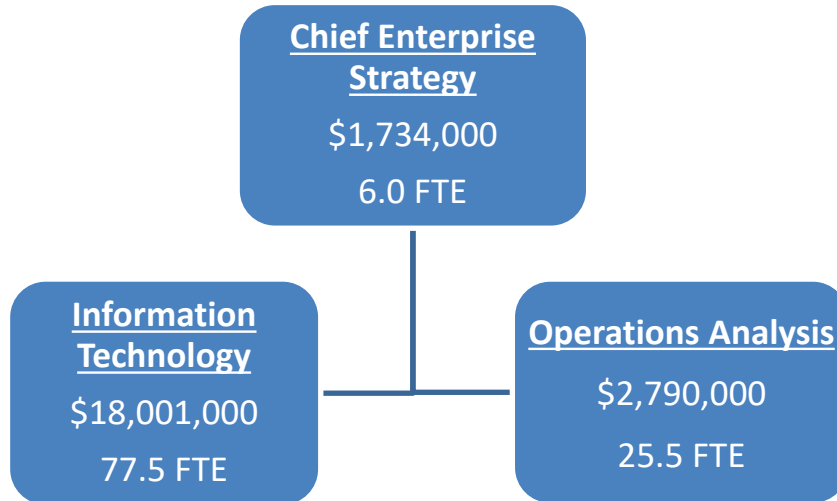


## Service Development 2022 Key Initiatives

- Enhance service delivery through successful capital development, project controls, and construction project management.
- Meet stakeholder expectations and commitments through enhanced service delivery
- Create partnership funding initiative to fund transit improvements with local partners and stake holders
- Create pipeline projects for routine enhancements to keep the system in a state of good repair
- Finalize business plan for FrontRunner to create a system-wide service vision and define short- and long-term investments
- Create TOD managed reserve to capture cost benefit of program
- Work with People Office to develop Capital project funding training aids in support of apprenticeship program

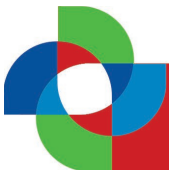


## Enterprise Strategy



This Office brings together an Enterprise-wide view of UTA’s critical systems that drive Agency performance. UTA Enterprise Strategy office provides the following to make the UTA System work:

- *Culture & Continuous Improvement*: Oversees the design, development, and deployment of UTA’s cultural initiatives, organizational development and implement continuous improvement tools and concepts which support and align with UTA’s culture model- the UTA Way.
- *Information Technology*: Provides ongoing support for and improvements to applications, data network needs, telephone communication, on-board technologies, radio communication, passenger information, and administrative systems.
- *Operations Analysis & Solutions (OAS)*: Focuses on two critical areas: Promoting a data-driven culture and improving client experience in using technology tools to meet day to day business needs.
- *Risk & Policy*: In 2022 an Enterprise Risk Program will be deployed to help UTA focus on managing and mitigating risk Agency wide. This office will also oversee our UTA Policies and Agency standard operating procedures and ensure support our long-term Agency strategies and goals.
- *Records Management*: Oversees UTA’s records and ensures the Agency is following proper retention policies and responding to all GRAMA requests.

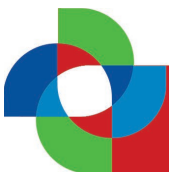


## 2022 Proposed Enterprise Strategy Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
Chief Enterprise Strategy	\$978,905	\$1,734,108	\$755,203
Information Technology	16,373,414	18,001,077	1,627,663
Operations Analysis	2,528,380	2,789,748	261,368
Totals	\$19,880,699	\$22,524,933	\$2,644,234

## 2022 Proposed Enterprise Strategy Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$8,763,168	\$9,663,023	10.3%
Fringe	3,533,660	4,045,609	14.5%
Services	5,854,896	6,886,045	17.6%
Utilities	686,495	827,736	20.6%
Other O&M	1,042,480	877,831	-15.8%
Totals	\$19,880,699	\$22,524,933	13.3%



## Enterprise Strategy FTE Summary: 2021 Budget and 2022 Proposed Budget

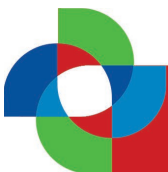
	2021 Budget	2022 Proposed	Change
Chief Enterprise Strategy	6.00	12.00	6.00
Information Systems	74.50	77.50	3.00
Operations Analysis	24.50	25.50	1.00
<b>Totals</b>	<b>105.00</b>	<b>115.00</b>	<b>10.00</b>

## 2022 Enterprise Strategy Budget Changes

Amended 2021 Budget	2021 One -Time Expenses	2021 Additions		2022 Adjustments		2022 Budget		
		Staffing	Service	Wage and Fringe	Other	2022 Base	2022 Additions	2022 Budget Request
\$ 19,881	\$ -	\$ 501	\$ -	\$ 452	\$ 132	\$ 20,966	\$ 1,558	\$ 22,525

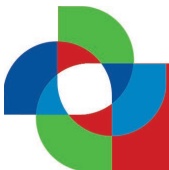
### Summary of budget changes:

- Increased use of cloud-based and ERP services
- Increase in utilities to support second data circuit, redundant links, and cellular data to support transit management system program on all revenue vehicles
- Complete conversion to Microsoft Office 365
- Provide additional help desk support
- Increase network support
- Provide support to new technology initiatives such as signal prioritization and state of good repair

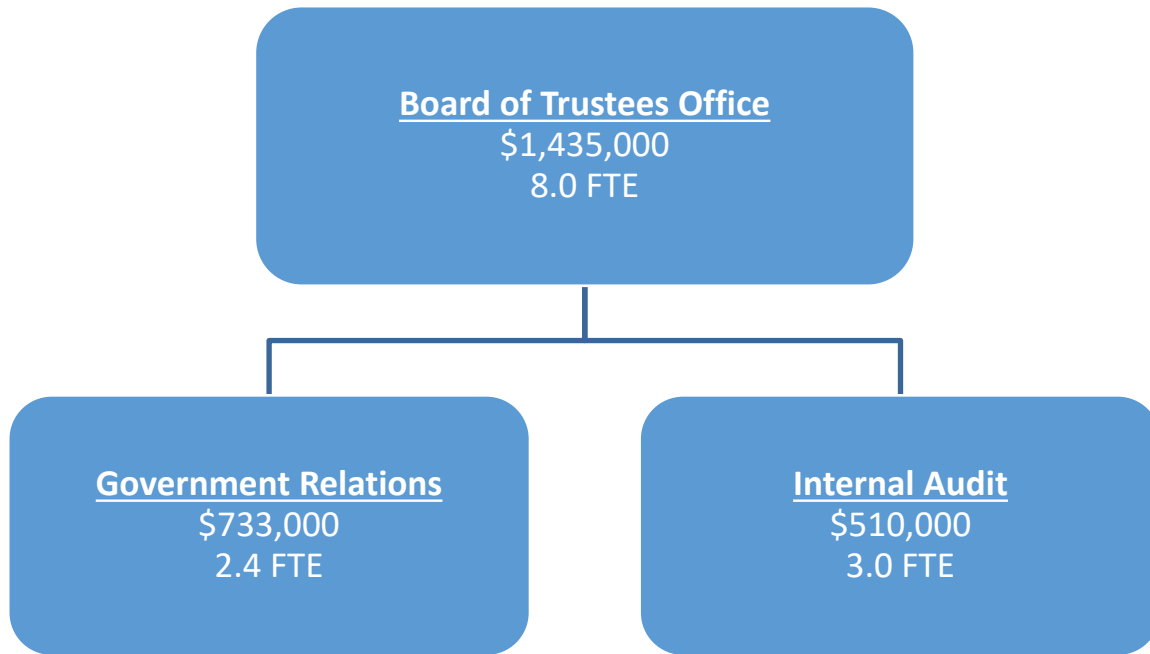


## Enterprise Strategy 2022 Key Initiatives

- Annual Employee Engagement Survey
- Complete Year 2 of UTA Way Training & Establish Sustainability Plan
- Stand up Enterprise Risk Management Program
- Complete Real Estate/TOD Legacy Records Project
- Move into the Records Assessment Center
- Deploy UTA Strategic Framework across UTA
- Launch Policy SharePoint site
- Complete installation of new Tablets in the bus fleet to finish the CAD/AVL/MDD project
- Begin the Fares Technology System replacement program
- Complete the Office 365 implementation, email migration and user training
- Replace the primary data Storage Area Network (SAN) appliance for State of Good Repair
- Implement the Security Operations Center as a Service (SOCaaS) and Cyber Incident Response



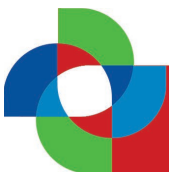
## UTA Board of Trustees



The UTA Board of Trustees are appointed by the Governor to represent their respective counties. The Trustees work closely with legislators, local governments, stakeholders, and community members. They partner with the Executive Director in setting the vision and long-term priorities for the Agency.

The Board of Trustees Office provides the following to make the UTA System work:

- Board of Trustees. Provide leadership, fiscal oversight and support the Executive Director in the daily management of UTA's services.
- In addition to their external focus the Board of Trustees also oversees the following departments:
  - *Internal Audit*. The audit team plays a critical role in evaluating and improving UTA's system of governance, risk management, and controls. This is done primarily through execution of the annual internal audit plan, which is defined and approved by the Audit Committee.
  - *Government Relations*. Engages externally with elected officials at a federal, state, and local level to inform, advocate and influence public policy that impacts UTA. They also collaborate and coordinate with partners and advocates on all three of these levels to promote the best interests of the organization.

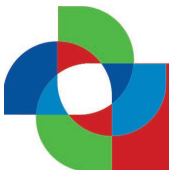


## 2022 Proposed Board of Trustees Operating Budget Expenses by Department

Category	2021 Budget	2022 Proposed Budget	Change
Internal Audit	\$490,888	\$510,064	\$19,176
Government Relations	776,436	732,683	(43,753)
Board of Trustees	1,452,750	1,434,695	(18,055)
Totals	\$2,720,074	\$2,677,442	\$(42,632)

## 2022 Proposed Board of Trustees Operating Budget Expenses by Category

Category	2021 Budget	2022 Proposed Budget	Change
Wages	\$1,370,448	\$1,400,676	2.2%
Fringe	500,834	562,951	12.4%
Services	570,000	513,695	-9.9%
Other O&M	278,792	200,120	-28.2%
Totals	\$2,720,074	\$2,677,442	-1.6%



## Board of Trustees FTE Summary: 2021 Budget and 2022 Proposed Budget

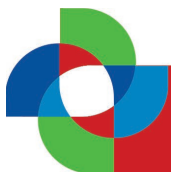
	2021 Budget	2022 Proposed	Change
Board of Trustees	8.00	8.00	-
Government Relations	2.50	2.38	(0.12)
Internal Audit	3.00	3.00	-
<b>Totals</b>	<b>13.50</b>	<b>13.38</b>	<b>(0.12)</b>

## 2022 Board Budget Changes

Amended 2021 Budget	2021 One -Time Expenses	2021 Additions		2022 Adjustments		2022 Budget		
		Staffing	Service	Wage and Fringe	Other	2022 Base	2022 Additions	2022 Budget Request
\$ 2,720	\$ -	\$ -	\$ -	\$ 66	\$ 17	\$ 2,802	\$ (125)	\$ 2,677

## Summary of budget changes:

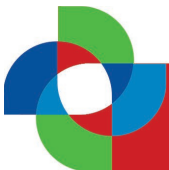
- Budget target reflects a \$125K reduction from 2022 budget base:
  - Reduction savings = \$75K
  - Transfer of expense to CPEO = \$50K



## Board of Trustees 2022 Key Initiatives

### Key Initiatives:

- Update UTA's Strategic Plan
- Continue pursuit of funding partnerships for transit capital and service initiatives
- Ongoing development and accountability of key operational, service, capital and long-range plans within UTA and with our stakeholders
- Maintain and grow stakeholder and industry partner collaboration and shared solutions
- Ongoing development of accountable policies and procedures
- Maintain transparent, accountable and accessible governance of UTA
- Develop and manage 2022 Internal Audit Plan
- Pursue opportunities through Internal Audit to provide continuous and real-time assurance through data analytical procedures



## 2022 Capital Budget and 5-Year Plan

### 2022 CAPITAL BUDGET PROJECT SUMMARY

Programs/Projects	2022 Budget	2022 Grants	2022 State & Local Partners	2022 UTA Funds
5310 Project	\$ 1,762,653	\$ 1,433,047	\$ 299,606	\$ 30,000
Asset Management- Facilities	4,600,000	-	-	4,600,000
Asset Management- Rail Infrastructure	9,300,000	-	-	9,300,000
Asset Management- Rail Systems	18,590,000	-	365,000	18,225,000
Asset Management- Vehicle New Purchase	23,625,911	4,983,108	-	18,642,803
Asset Management- Vehicle Rehabilitation	15,221,775	763,779	-	14,457,996
Information Technology	13,614,900	-	-	13,614,900
Major Capital Project	98,872,107	27,098,435	37,368,217	34,405,455
Other Capital Projects	37,112,341	10,012,556	6,016,149	21,083,636
Property/TOD/Real Estate	3,290,000	-	-	3,290,000
Safety & Security/Police	2,068,061	-	-	2,068,061
<b>Grand Total</b>	<b>\$ 228,057,748</b>	<b>\$ 44,290,925</b>	<b>\$ 44,048,972</b>	<b>\$ 139,717,851</b>

### 2022 STATE OF GOOD REPAIR SUMMARY

Highlighted Projects	2022 Proposed Budget	Grants	State/Local Partners	UTA Funds
Asset Management- Facilities	\$ 4,600,000	\$ -	\$ -	\$ 4,600,000
Asset Management- Rail Infrastructure	9,300,000	-	-	9,300,000
Asset Management- Rail Systems	18,590,000	-	365,000	18,225,000
Asset Management- Vehicle New Purchase	23,625,911	4,983,108	-	18,642,803
Asset Management- Vehicle Rehabilitation	15,221,775	763,779	-	14,457,996
<b>Total</b>	<b>\$ 71,337,686</b>	<b>\$ 5,746,887</b>	<b>\$ 365,000</b>	<b>\$ 65,225,799</b>



**2022 MAJOR PROJECT SUMMARY**

Highlighted Projects	2022 Proposed		State/Local		UTA Funds
	Budget	Grants	Partners		
MSP102- Depot District	\$ 32,562,000	\$ 3,377,587	\$ 3,797,243	\$ 25,387,170	
MSP185- Ogden/WSU BRT	25,465,107	18,436,103	2,229,004	4,800,000	
MSP205- TIGER Program of Projects	8,206,000	2,798,700	3,126,000	2,281,300	
MSP215- Sharp-Tintic Rail Connection	1,439,000	886,045	515,970	36,985	
MSP216- Point of Mountain AA/EIS	3,000,000	-	3,000,000	-	
MSP252- FrontRunner Forward	15,000,000	-	13,500,000	1,500,000	
MSP253- Mid-Valley Connector	10,000,000	-	10,000,000	-	
MSP259- S-Line Extension	1,200,000	-	1,200,000	-	
Express	2,000,000	1,600,000	-	400,000	
<b>Total</b>	<b>\$ 98,872,107</b>	<b>\$ 27,098,435</b>	<b>\$ 37,368,217</b>	<b>\$ 34,405,455</b>	

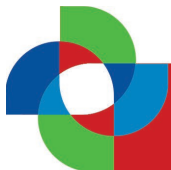
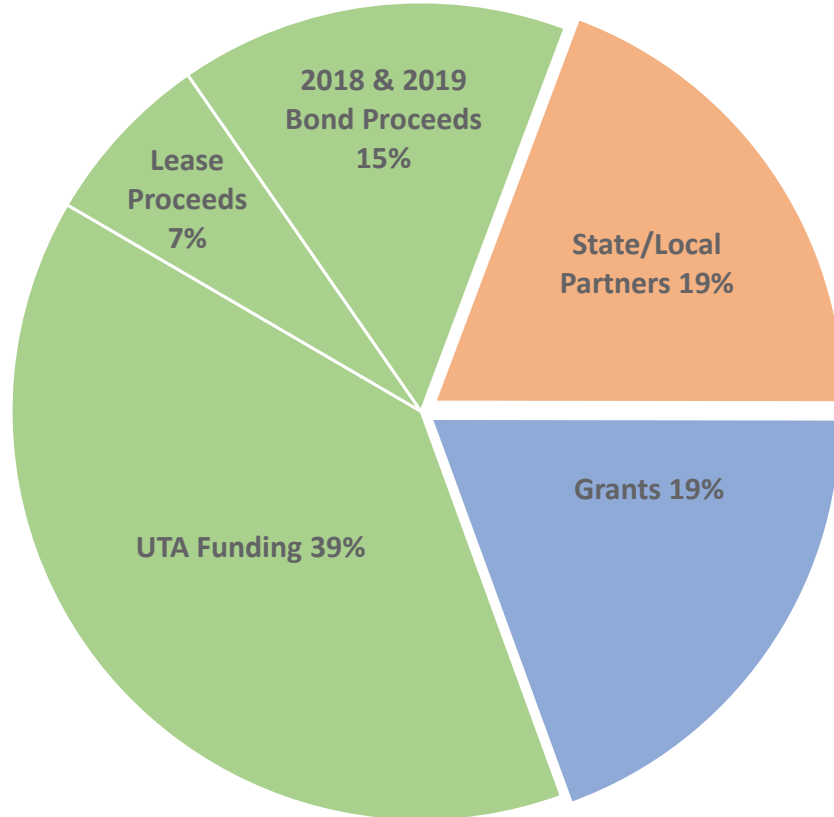
**2022-2026 5-YEAR PLAN**

Year	Proposed Budget	Grants	Pending Grants	State/Local Partners	UTA Funds*
<b>2022</b>	\$ 228,057,748	\$ 44,290,925	\$ -	\$ 44,048,972	\$ 139,717,851
<b>2023</b>	360,248,101	71,548,140	51,380,000	95,842,185	141,477,776
<b>2024</b>	270,290,970	14,847,312	32,199,690	86,199,933	137,044,035
<b>2025</b>	238,654,444	7,340,018	7,500,000	122,298,754	101,515,672
<b>2026</b>	147,769,176	750,000	7,500,000	69,500,000	70,019,176
<b>Total</b>	<b>\$ 1,245,020,439</b>	<b>\$138,776,395</b>	<b>\$ 98,579,690</b>	<b>\$417,889,844</b>	<b>\$589,774,510</b>

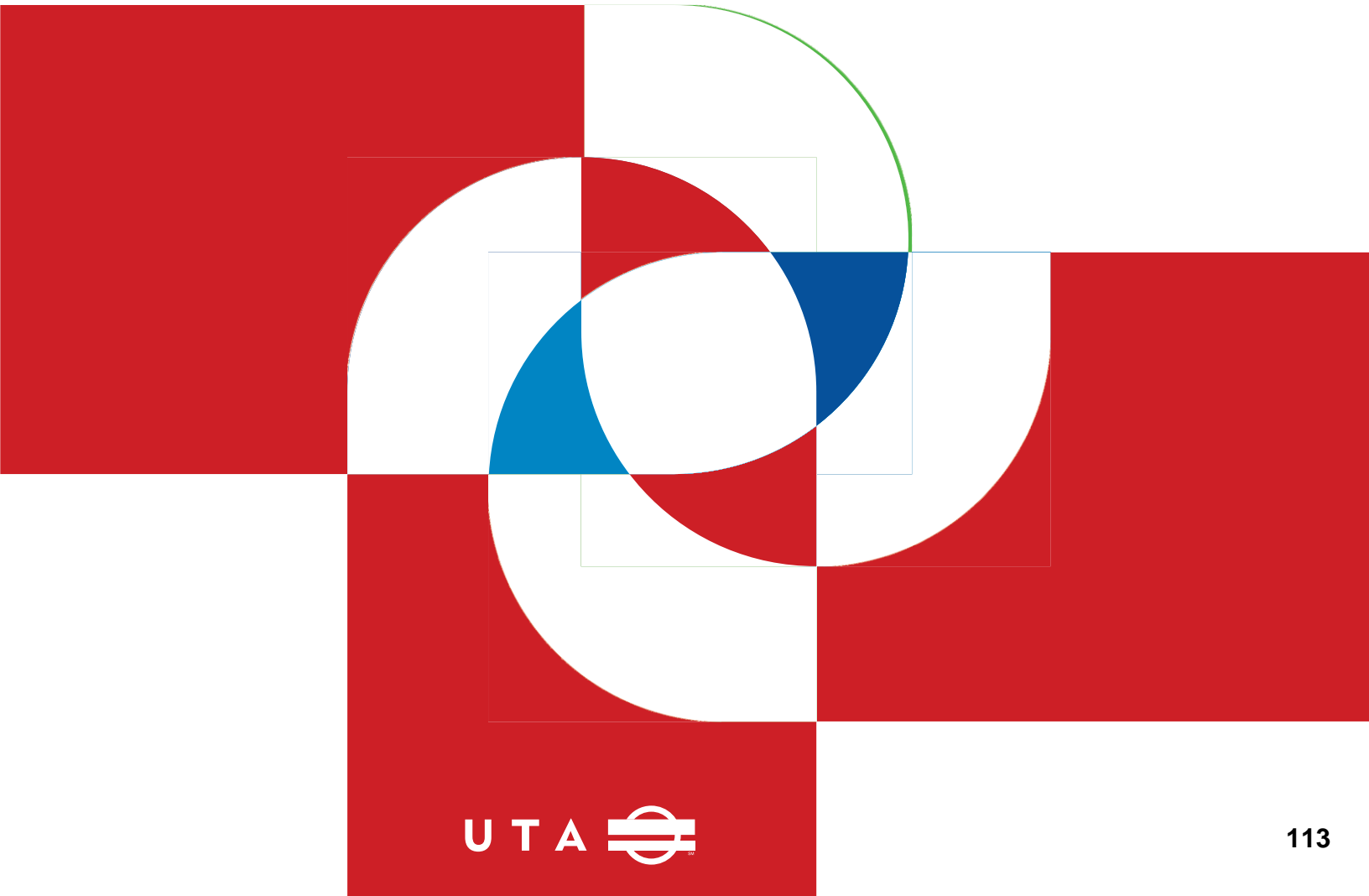


## Capital Revenues

**2022 Capital Revenues  
(\$228 million)**



# Financial Structure, Policy, and Process



## Financial Structure

### Accounting Method

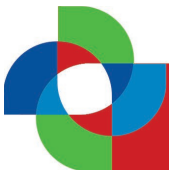
UTA reports as a single enterprise fund and uses the accrual method of accounting. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

### Department /Fund Relationship

Within the enterprise fund, UTA maintains two budgets – one for operations and one for capital. Within the operations budget, expenses are tracked by type of service mode (bus, light rail, commuter rail, paratransit, or rideshare/vanpool) as well as operations support, administrative, non-operating, and debt service. Departments within operations and operations support by type of service are:

Bus	Light Rail	Commuter Rail	Paratransit	Rideshare Vanpool
Mt. Ogden Operations	Light Rail Operations	Commuter Rail Operations	Paratransit Operations	Van Pools
Mt. Ogden Maintenance	Light Rail Maintenance	Commuter Rail Maintenance	Paratransit Maintenance	Rideshare Administration
Mt. Ogden Administration	Light Rail Jordan River Maintenance	Commuter Rail Administration	Special Service Administration	
Timpanogos Operations	Light Rail Administration	Maintenance of Way Systems	Mobility Management	
Timpanogos Maintenance	Rail Fleet Sustainability	Maintenance of Way Infrastructure		
Timpanogos Administration	Maintenance of Way Systems			
Meadowbrook Operations	Maintenance of Way Infrastructure			
Meadowbrook Maintenance				
Meadowbrook Administration				
Central Maintenance				
Integrated Service Planning				
Transit Communications Center				

Departments within the Operations Support, Administrative, and Non-operating classifications are provided on the following page.



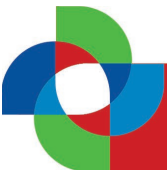
Operations Support	Administrative	Non-operating
Support Maintenance	Product Development & Sales	Capital Projects & Development
Fleet Engineering	Fares	Planning
Asset Management - State of Good Repair	Risk Management	Real Estate
Vehicle Disposal	Technology Security	Service Development
Facilities	Communications & Deployment	
Ticket Vending Machine Maintenance	Applications Support	
Radio & Rail Communications	Application Development	
Supply Chain - Purchasing	Network Support	
Supply Chain - Warehousing	Quality Assurance	
Farebox Service	Accounting	
Fare Strategy & Operations	Finance	
Customer Service	Intermodal Center - SLC	
Public Safety	Intermodal Center - Ogden	
Operations Analysis & Solutions	Budget & Financial Analysis	
Data Quality & Ridership	Innovative Mobility Services	
Safety & Security	Government Relations	
Bus Communications	Public Relations & Marketing	
Talent Development	Planning & Engagement	
	Board of Trustees	
	Total Rewards	
	People Office	
	Human Resources and Labor Relations	
	Workforce Planning	
	Operations Office	
	Internal Audit	
	Executive Director	
	Legal	
	Civil Rights	
	Corporate Support	
	Customer Experience	
	Enterprise Strategy	

Within the capital budget, expenses are tracked by discrete projects, Safety & Security, State of Good Repair (capital maintenance to the transit infrastructure), and Information Technology. More detail about capital investments is provided in the Capital and Debt section.

### **Basis of Budgeting**

Budgeting is based upon the accrual basis with these exceptions:

- UTA budgets capital expense rather than depreciation expense
- UTA does not budget for change in actuarial estimates for the pension
- In addition to bond interest expense, UTA budgets annual bond principal payments
- The annual budget excludes amortization of bond issuance premiums and discount



## Financial Information and Policies

### **Basis of Accounting**

The Authority reports as a single enterprise fund and uses the accrual method of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

### **Standards for Reporting Purposes**

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by GASB.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Federal Planning Assistance and Preventive Maintenance Grants**

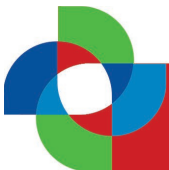
Federal planning assistance grants received from the Federal Transit Administration (FTA) and preventive maintenance grants are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met. The current reauthorizations act, Fix America's Surface Transportation (FAST), allows for the replacement and repair of aging infrastructure. Congress is engaged in negotiations on the next Transportation Act at the time this document was printed.

### **Federal Grants for Capital Expenses**

The U.S. Department of Transportation, through contracts between the Authority and the FTA, provides federal funds of 35% to 93% of the cost of property and equipment acquired by the Authority through federal grants. Grant funds for capital expenses are earned and recorded as capital contribution revenue when the capital expenses are made and eligibility requirements are met.

### **Contributions from Other Governments (Sales Tax)**

As approved by the voters or county governing bodies, sales tax for transit is collected to provide the Authority with funds for mass transit purposes. Funds are utilized for operations and for the local share of capital expenses. Sales tax revenues are accrued as a revenue and receivable for the month in which the sales take place. The Authority does not have taxing authority in any jurisdiction; therefore, this revenue is considered a contribution from another government.



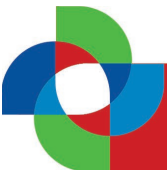
**Approved Local Option Sales Tax:**

Salt Lake County	0.7875%
Davis County	0.6500%
Weber County	0.6500%
Box Elder County	0.5500%
Utah County	0.6260%
Tooele County	0.4000%

**Budgetary and Accounting Controls**

The Authority’s annual budgets are approved by the Board of Trustees, as provided for by law. Operating and non- operating revenues and expenses are budgeted on the accrual basis except for depreciation, pension actuarial expenses, bond principal payments, and amortization of bond issuance premiums and discounts. Capital expenses and grant reimbursements are budgeted on a project basis. Multi-year projects are approved in whole but are budgeted based on estimated annual expenses and revenues.

The Authority adopts its annual budget in December of the preceding year.



## UTA Board of Trustees Bylaws (Budget Related)

### ARTICLE VII – CONDUCTING BUSINESS

#### Section 1 Resolutions, Orders and Ordinance – Vote Recorded

Each and every formal action by the Board and Advisory Council shall be taken by the passage of a resolution, order or ordinance by the Board or Advisory Council. Resolutions and ordinances shall be by roll call vote with each affirmative and negative vote recorded. Proposed resolutions and ordinances shall be forwarded to each Trustee and Member by electronic means at least twenty-four hours before the ordinance is presented for adoption. All resolutions and ordinances passed by the Board and Advisory Council shall be authenticated as soon as practicable after their passage by the signature of the applicable Chair and attested to by the Board Secretary or Advisory Council, Second Vice-Chair, and kept in the official records of the Authority. A record of meetings of the Board and Advisory Council shall be made and retained as provided by law.

#### Section 2 Adoption and Amendment of Bylaws

These Bylaws may be adopted and amended by an affirmative vote by a majority of the Board after consultation with the Advisory Council.

#### Section 3 Fiscal Year

The fiscal year of the Authority shall commence on January 1 and end December 31 of each calendar year.

#### Section 4 Principal Place of Business

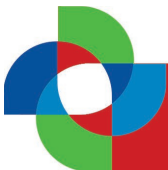
The principal place of business for the Authority, and the location of all offices and departments, shall be determined from time to time by the Board. The Board Secretary shall publish the location of the principal place of business in the Government Entity Database maintained by the Division of Corporations of the State of Utah.

#### Section 5 Budget

The Authority shall prepare an annual budget for the consideration of the Board each year in compliance with applicable law. After analyzing the proposed budget and making any corrections or revisions that it may find necessary and consulting with the Advisory Council, the Board shall adopt a final annual budget prior to the end of each fiscal year.

#### Section 6 Audit Reports

- A. Annual Audit - The Board shall cause an annual audit of the Authority's financial statements to be conducted in accordance with general accepted auditing standards following the end of each fiscal year and in compliance with the Act. The audit shall be performed by an independent certified public accounting firm selected by the Board. The auditor shall provide a signed auditor's opinion as to the



fair presentation of the financial position of the Authority and the results of Authority operations and changes in its financial position for the fiscal year ended. The audit shall be made available in compliance with the Act.

- B. Other Audits – In consultation with the Advisory Council, the Board may cause audits other than the annual audit to be made, which shall be made available in compliance with the Act.



## Utah's Provisions Applicable to All Local Districts

### 17B-1-702 Local District to Submit Budgets

Except as provided in paragraph (a), within 30 days after it is approved by the board, and at least 30 days before the board adopts a final budget, the board of each local district with an annual budget of \$50,000 or more shall send a copy of its tentative budget and notice of the time and place for its budget hearing to 1) each of its constituent entities that has in writing requests a copy; and (2) to each of its customer agencies that has in writing requested a copy.

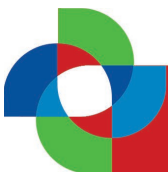
(a) Within 30 days after it is approved by the board, and at least 30 days before the board adopts a final budget, the board of trustees of a large public transit district as defined in Section 17B-2a-802 shall send a copy of its tentative budget and notice of the time and place for its budget hearing to 1) each of its constituent entities; 2) each of its customer agencies that has in writing requested a copy; 3) the governor; and 4) the Legislature.

The local district shall include with the tentative budget a signature sheet that includes 1) language that the constituent entity or customer agency received the tentative budget and has no objection to it; and 2) a place for the chairperson or other designee of the constituent entity or customer agency to sign.

Each constituent entity and each customer agency that receives the tentative budget shall review the tentative budget submitted by the district and either 1) sign the signature sheet and return it to the district; or 2) attend the budget hearing or other meeting scheduled by the district to discuss the objections to the proposed budget.

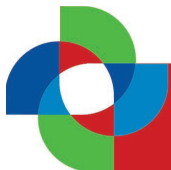
If any constituent entity or customer agency that received the tentative budget has not returned the signature sheet to the local district within 15 calendar days after the tentative budget was mailed, the local district shall send a written notice of the budget hearing to each constituent entity or customer agency that did not return a signature sheet and invite them to attend that hearing. If requested to do so by any constituent entity or customer agency, the local district shall schedule a meeting to discuss the budget with the constituent entities and customer agencies. At the budget hearing, the local district board shall 1) explain its budget and answer any questions about it; 2) specifically address any questions or objections raised by the constituent entity, customer agency, or those attending the meeting; and 3) seek to resolve the objections.

Nothing in this part prevents a local district board from approving or implementing a budget over any or all constituent entity's or customer agency's protest, objections, or failure to respond.



**Utah’s Provisions Applicable to All Local District 17-B-1-1102 Limitation on Bonds**

A public transit district may not issue general obligations bonds if the issuance of the bonds will cause the outstanding principal amount of all of the district’s general obligation bonds to exceed the amount that results from multiplying the fair market value of the taxable property within the district, as determined under Section 11-14-301(3)(b) by 3%. Bonds or other obligations of a public transit district that are not general obligation bonds are not included in this limit.



## Board of Trustees Policy No. 2.1

### Financial Management – Key Budget Provisions (July 31, 2019)

#### A. Reserves

1. The Authority will maintain the following reserves:
  - a. General operating reserves, including the risk reserve, funded at a level equal to at least twelve percent (12%) of the Authority's budgeted operating expense, excluding non-operating expense, to be used as a working capital account throughout the year. The Treasurer will manage the use of the funds in the general operating reserve.
  - b. Service stabilization reserve funded at a level equal to three percent (3%) of the Authority's budgeted operating expense, excluding nonoperating expense, to be used to avoid service reductions at such times as the Authority faces a revenue shortfall or cost overrun due to extraordinary circumstances. The Board of Trustees must give its prior approval before funds in the service stabilization reserve are used.
  - c. Bond reserves funded at a level required by bond covenants to be used for the payment of debt service in the event that the Authority fails to make scheduled bond principal and interest payments. The Board of Trustees must give its prior approval before funds in the bond reserve are used.
  - d. Capital replacement reserve to reach a level equal to one percent (1%) of the property, facilities, and equipment cost as reported in the comprehensive annual financial report to be used for capital repair or replacement costs due to extraordinary circumstances. The Board of Trustees must give its prior approval before funds in the capital replacement reserve are used.
2. The Board of Trustees may establish other reserves and make additional contributions to existing reserves.
3. Reserve balances will be reported on the Authority's monthly financial statements.
4. Upon the use of any service stabilization, bond or capital replacement reserves, the Board of Trustees will, by resolution, establish a timeline for the full reimbursement of the reserves within 60 months after their first use and begin to restore reserves used no later than 24 months after their first use.

#### B. Grants

1. The allocation of anticipated formula fund grants will be determined during the annual budget process.

#### C. Long-term Financial Planning

1. The Executive Director will develop a long-term (20 years or longer) financial plan incorporating the Board of Trustees' strategic plan, identifying the Authority's long-term financial challenges and



proposed solutions based upon reasonable projections of revenue and expense including operations and maintenance, reasonably anticipated new funding programs, capital expansion, maintenance of a state of good repair of existing assets, asset replacement, and debt issuance. The Executive Director will update the long-term financial plan three times a year.

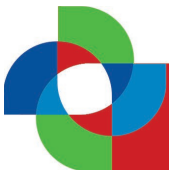
2. The Board of Trustees will review the long-term financial plan annually and report it to the State Bonding Commission.

#### D. Budgeting

1. As provided for in the Authority's Bylaws, the Authority will prepare an annual budget and the Board of Trustees, after consultation with the Advisory Council, will approve the budget.
2. The Board of Trustees may amend or supplement the budget at any time after its adoption.
3. The Executive Director may make administrative adjustments to an adopted budget without Board of Trustee approval as long as those changes will not have a significant policy impact or affect budgeted year-end fund balances.

#### E. Capital

1. The Executive Director will develop a five-year capital plan and update it every year for inclusion in the annual budget process discussions and approvals. The five-year capital plan will be fiscally constrained and will maintain all assets at a state of good repair to protect the Authority's capital investment and minimize future maintenance and replacement costs.



## Budget Process

This section describes the process for preparing, reviewing, and adopting the budget for the coming fiscal year. It also includes procedures for amending the budget after adoption and the process used in developing the capital budget. A budget calendar for the budgeted year 2022 is included at the end of this section.

**Budget Process:** The Executive Director and Chief Financial Officer, with the advice and counsel of the Board of Trustees and the Local Advisory Council, prepare a preliminary budget for the ensuing year including operation, maintenance, administration expenses, debt service, and capital expenditures.

Preparation of the annual budget is intertwined and coordinated with input from various updates from of the Agency's financial plan. There are four stages in the annual budget process:

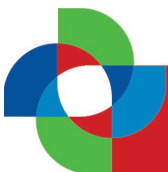
1. Budget Planning
2. Establishing the Base Budget
3. Identification, prioritization, and selection of Budget Initiatives from Budget Planning phase or other processes for inclusion in the Tentative Budget
4. Preparation, and approval of Tentative and Final Budgets

The yearly process starts in the Spring with the Authority's Executive Team and staff assessing estimates for revenues, operating expenses, and capital projects. Budget priorities are discussed, and a preliminary five-year capital plan is developed.

Budget Planning starts the Budget Development process. Budget Plans provide key information for UTA's decision-making process around resource allocation. They clearly articulate Office/Department objectives, business, or operating environment, change drivers, change initiatives, prioritization criteria and connection to the UTA Way and Strategic Framework. Budget Plans are an input to the budget outlook process and form the foundation for potential Budget Initiatives.

After a preliminary budget outlook is reviewed with the Board of Trustees, the Executive Director develops and distributes budget preparation instructions for Authority staff.

Changes in assumptions are incorporated into the 5-Year financial plan and a Base Operating Budget (Base Budget) for the upcoming year is calculated. One-time costs are eliminated, current year technical budget adjustments, mid-year service changes, and know labor cost changes, fuel and power cost change projections, and inflationary factors are applied to the current adopted budget to arrive at a Base Budget at the account code level for each Office. The Base Budget is then projected over the 5-year planning horizon and the agency determines if the Base Budget is sustainable.



The next phase of the Budget Development process is the development of new Budget Initiatives. Budget Initiatives are informed by the Budget Planning process and emerging factors. This is the process to identify priority investments in the Operating program or, if the Base Budget is not sustainable, initiatives are identified to bring the financial plan back into balance. Budget Initiatives are reviewed and prioritized by the Executive Team for inclusion in the budget request.

A draft five-year capital plan is completed and reviewed with the Board of Trustees and the Local Advisory Council in September. The first year of the capital plan, which includes specific capital projects and the funding available through outside funding such as grants, local partners, state funding, and financing are included in the next year's capital budget.

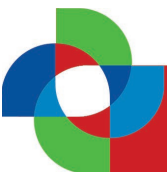
In August each Chief Officer submits an operating budget which includes the Base Budget level and any approved Budget Initiatives. The Executive Team reviews the operating budgets and makes any adjustments it deems necessary. Preliminary budgets are reviewed with the Board of Trustees in September. Any modifications to the budget are completed by early October.

In late October or early November, the Executive Director presents the Tentative Budget to the Board of Trustees for their review and approval. Once the Tentative Budget is approved by the Board of Trustees, it is sent to the Governor's Office, State Legislature and Local Governments and a 30-day comment period, which includes a public hearing, is established. Input from the Local Advisory Council on the Tentative Budget is sought following Board approval.

In early December, the Executive prepares and presents the Final Budget to the Board of Trustees for its review and approval.

**Adoption of Annual Budget:** Before the first day of each fiscal year, the Board shall adopt the annual budget by a vote of a quorum of the total Board. If, for any reason, the Board has not adopted the annual budget on or before the first day of January of any fiscal year, the preliminary budget (Tentative Budget) for such year shall be in effect for such fiscal year until the annual budget is adopted.

Please refer to the 2022 UTA Budget Preparation Schedule at the end of this section.



**Annual Budget Schedule:**

<u>Task</u>	<u>Completion Date</u>
Executive Director prepares and distributes budget preparation memo based upon Board of Trustee's budget priorities and available funding per the long-term financial model	June 24, 2021
Draft Budgets due from Executive Team. (Executive Team will notify their direct reports of earlier submission dates before this time to allow for executive review).	August 13, 2021
Executive team evaluates 2022 operating and capital budget submittals	August 24, 2021
Preliminary 2022 operating and capital budgets reviewed with the Board of Trustees	Sept 13 to 17, 2021
Final adjustments to 2022 budget	Oct. 8, 2021
2022 Tentative Budget provided to Board of Trustees	Oct. 13, 2021
Board of Trustees reviews and approves 2022 Tentative Budget	Oct. 27, 2021
Budget Review and Comment Period	Nov. 3 to Dec. 3, 2021
Board of Trustees holds public hearing on 2022 Budget	Nov. 3, 2021
Local Advisory Council reviews Tentative 2022 Budget	Nov. 17, 2021
Local Advisory Council Approves Final 5-Year Capital Plan	Nov. 17, 2021
Board of Trustees reviews final 2022 Budget Documents and 5-Year Capital Plan	Dec. 8, 2021
Board of Trustees considers approval of the 2022 Final Budget and 5-Year Capital Plan	Dec. 15, 2021
Staff submits Final Budget to State Auditor	Dec. 31, 2021
Staff prepares, prints, and distributes 2022 Budget Document to the Board of Trustees, Operating Departments and interested parties	Dec. 31, 2021



## NOTICE OF PUBLIC HEARING AND COMMENT PERIOD

### UTAH TRANSIT AUTHORITY

**RE: UTA Tentative Budget 2022.** UTA is holding a public hearing to receive input on its 2022 Tentative Budget.

#### Public Hearing Date & Format:

There will be a public hearing held on **Thursday, November 4 at 3:30 p.m.** at UTA's downtown Salt Lake City office at 669 West 200 South. Please consider current CDC COVID-19 guidelines regarding masking and distancing for in-person attendance.

Prior to the public hearing, from 3:00-3:30 p.m., UTA will hold a Public Budget Open House to allow the public to review and discuss the budget with UTA representatives. During this time, in addition to having specific questions answered, the public may submit written comments to UTA. At 3:30pm, as part of a specially scheduled UTA board hearing, individuals may provide verbal comment directly to UTA's Board of Trustees.

Options for remote viewing and remote public comment will be available. For instructions on how to comment or view the meeting remotely please go to [www.rideuta.com/Board-of-Trustees/Meetings](http://www.rideuta.com/Board-of-Trustees/Meetings). In the event of technical difficulties with remote participation, the meeting will proceed in person and in compliance with the Open and Public Meetings Act.

To assure full participation at the hearing, accommodations for effective communication such as sign language interpreters, printed materials in alternative formats, or a language interpreter for non-English speaking participants, must be requested at least two (2) working days prior to the date of the scheduled event. Requests for ADA or language accommodations should be directed to [call dredge@rideuta.com](mailto:call dredge@rideuta.com) or 801-287-3536, or dial 711 to make a relay call for deaf or hearing impaired persons.

#### Public Comments:

In addition to the hearing, the tentative budget will be available for public review and comment from **November 4, 2021 – December 4, 2021**. During the 30-day comment period the public can submit comments via email, online, mail, or phone. Information on the 2022 Tentative Budget may be found at [www.rideuta.com/budget](http://www.rideuta.com/budget) or viewed in person at UTA Headquarters, 669 W 200 S, Salt Lake City, UT.

Comments must be received, postmarked or electronically submitted to UTA through one of the following methods by **5pm on December 4, 2021**, to be considered as part of the public comment record.

- **Email:** [hearingofficer@rideuta.com](mailto:hearingofficer@rideuta.com)
- **Phone:** 801-743-3882
- **Mailing:** Utah Transit Authority, C/O Megan Waters, 669 W 200 S, Salt Lake City, UT 84101
- **Website:** [www.rideuta.com/budget](http://www.rideuta.com/budget)



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** David Hancock, Acting Chief Service Development Officer  
**PRESENTER(S):** Patti Garver, Manager of Environmental and Grant Services

**TITLE:**

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**R2021-10-05 - Resolution Authorizing the Execution of a Low or No Emission Grant Agreement with the Federal Transit Administration for the Tooele Microtransit & Vehicle Electrification Project**

**AGENDA ITEM TYPE:**

Resolution

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**RECOMMENDATION:**

Approve Resolution 2021-010-05 authorizing execution by the Executive Director of the Federal Transit Administration Low or No Emission grant agreement that is being developed in the Federal Transit Administration Awards Management System (TrAMS) for the Tooele County Microtransit & Vehicle Electrification Project.

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**BACKGROUND:**

The Federal Transit Administration (FTA) published a notice of funding opportunity for the Low or No Emission Grant Program on February 11, 2021. Eligible projects include the purchase or lease of zero-emission and low-emission transit vehicles, including acquisition, construction and leasing of required supporting facilities such as charging, refueling, and maintenance facilities. UTA submitted a grant application on April 12, 2021 for the Tooele County Microtransit & Vehicle Electrification project.

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**DISCUSSION:**

FTA selected UTA to receive an award amount of \$1,380,000 for the Tooele County Microtransit & Vehicle Electrification project on June 25, 2021. The match amount totals \$230,099; to be provided by UTA and Rocky Mountain Power.

The project will replace five gasoline powered vehicles used for existing flex route and dial-a-ride services in

Tooele County with eight zero-emission electric vehicles while modernizing existing services with an on demand microtransit service. Six vans will be used for service delivery and two vans will be spares/backup. All eight of the electric vehicles would be ADA accessible, commercially available, 15-passenger vans with telematic systems. A Level 2 charging system would be designed and installed in the existing Tooele garage, and a Level 3 charging system for in field charging. The current workforce would be trained on the operation and maintenance of these vehicles. Expect to launch this service in 2022 on April or August Change Day.

The proposal aligns with UTA's 5-Year Service Plan to prioritize microtransit expansion into certain opportunity zones to test innovative service models for expanded coverage in areas that are underperforming with traditional transit.

This project is further supported by UTA's microtransit modeling study focused on improving mobility for people with disabilities, transit needs, and transit potential. Results of the study yielded 19 microtransit opportunity zones which were then simulated for service potential.

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**ALTERNATIVES:**

If this grant is not executed, sufficient funds will not be available for the Tooele County Microtransit & Vehicle Electrification project, and implementation of the project will likely be delayed.

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**FISCAL IMPACT:**

The award amount will be \$1,380,000. The Federal share of the cost of leasing or purchasing a transit bus is not to exceed 85 percent of the total transit bus cost. The federal share in the cost of leasing or acquiring low- or no-emission bus-related equipment and facilities is 90 percent of the net project cost.

**Capital Expenses:**

Vehicles: 8 Ford Transit vans, 6 for operations and 2 backup/spares \$1,280,000

Vehicle Branding: \$40,000

Eight tablets: \$8,000

Charging Infrastructure: 8 Level 2 charges at Tooele Garage: \$18,000

Charging Infrastructure: 2 Level 3 field chargers: \$160,000

Design and Install of Charging Infrastructure: \$10,000

Workforce Training on Charging Infrastructure: \$2,995

Project Evaluation (CTE): 50,000

Project Contingency: \$40,000

Total: \$1,608,995

Local Match: Vehicles/Tablets/CTE Evaluation 15%

Local Match: Infrastructure/Contingency: 10%

Local Match: Workforce Training: 20%

The match amount totals \$230,099; to be provided by UTA (\$138,099) and Rocky Mountain Power (\$92,000).

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**ATTACHMENTS:**

- 1) Board Resolution 2021-10-05
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**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT AUTHORITY AUTHORIZING THE EXECUTION OF A LOW OR NO-EMISSION GRANT AGREEMENT WITH THE FEDERAL TRANSIT ADMINISTRATION FOR THE TOOELE MICROTRANSIT AND VEHICLE ELECTRIFICATION PROJECT**

R2021-10-05

October 27, 2021

WHEREAS, the Utah Transit Authority (the "Authority") is a large public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities – Local Districts Act and the Utah Public Transit District Act; and

WHEREAS, the Authority was funded through the Federal Transit Administration ("FTA") Fiscal Year 2021 Low or No-Emission Grant Program for the Tooele Microtransit and Vehicle Electrification project; and

WHEREAS, the Low or No-Emission Grant program provides funding for low and no emissions buses and the facilities that support them; and

WHEREAS, FTA is providing \$1,380,000 for the Tooele Microtransit and Vehicle Electrification project, and

WHEREAS, the Utah Public Transit District Act, UTAH CODE §17B-2a-801 et seq. requires the Board of Trustees of the Authority to review and approve any contractual agreement exceeding \$200,000; and

WHEREAS, the Board of Trustees (the "Board") understands and recognizes that a grant agreement for this Low or No-Emission grant will soon be ready to execute, making timely approval by the Board necessary; and

WHEREAS, the Board of the Authority desires to authorize the Executive Director to execute the grant agreement for the Project.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Authority:

1. That the Board authorizes the Executive Director to execute the FTA grant agreement for the Tooele Microtransit and Vehicle Electrification project.
2. That the Board hereby ratifies any and all actions previously taken by the Authority's management, staff, and counsel to prepare the agreement for the grant award for the Project.
3. That the corporate seal be attached hereto.

Approved and adopted this 27th day of October 2021.

\_\_\_\_\_  
Carlton Christensen, Chair  
Board of Trustees

ATTEST:

\_\_\_\_\_  
Secretary of the Authority

(Corporate Seal)

Approved as to Form:

DocuSigned by:

*Tim Merrill*

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\_\_\_\_\_  
Legal Counsel



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** Bill Greene, Chief Financial Officer and Treasurer  
**PRESENTER(S):** Emily Diaz, Financial Services Administrator

**TITLE:**

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**Contract: Investment Management Services (Chandler Asset Management, Inc.)**

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**AGENDA ITEM TYPE:**

Procurement Contract/Change Order

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**RECOMMENDATION:**

Approve contract 21-03454 and authorize the Interim Executive Director to execute the contract and associated disbursements with Chandler Asset Management, Inc. for Investment Management Services

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**BACKGROUND:**

UTA desires to hire professional services for Investment Management Services to monitor the market and manage its investment portfolio. On June 15, 2021, UTA issued a Request for Proposal ("RFP") encouraging interested parties to submit proposals to perform these services for the next 10 years. After evaluation of the seven proposals received, UTA has selected Chandler Asset Management, Inc.

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**DISCUSSION:**

UTA issued an RFP to seek professional services for investment management services for a period of 10 years. UTA received a total of seven responses. After a careful evaluation using the criteria contained in the RFP, Chandler Asset Management, Inc.'s proposal received the highest combined rating and was considered to provide the best value to UTA.

The price was determined to be fair and reasonable based on adequate competition. Payment will not exceed \$115,000 per year or \$1,150,000 for the ten (10) year period based on a portfolio value of \$200 million. However, during the contract term, if the value of the assets managed by the Consultant exceeds \$225 million for three consecutive months, the Consultant and the UTA will negotiate a new contract cap

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reflective of the assets under management.

A 10-year period of performance was approved by the UTA Chief Procurement Officer for this contract in order to maximize long term investment strategy and produce the highest yield and best overall investments for UTA.

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**CONTRACT SUMMARY:**

<b>Contractor Name:</b>	Chandler Asset Management, Inc.
<b>Contract Number:</b>	21-03454
<b>Base Contract Effective Dates:</b>	October 27, 2021-September 30, 2031
<b>Extended Contract Dates:</b>	N/A
<b>Existing Contract Value:</b>	N/A
<b>Amendment Amount:</b>	N/A
<b>New/Total Amount Contract Value:</b>	\$1,150,000
<b>Procurement Method:</b>	Request for Proposal
<b>Funding Sources:</b>	UTA investment earnings

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**ALTERNATIVES:**

UTA could perform these services in house by hiring a number of full-time financial employees to monitor the market on a daily basis to buy and sell investments on behalf of UTA, and remain current on changing requirements in the market.

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**FISCAL IMPACT:**

The fees for Investment Management Services are taken out of investment earnings.

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**ATTACHMENTS:**

Contract- Investment Management Services (Chandler Asset Management, Inc.)



## Professional Services Contract

**UTA CONTRACT 21-03454**

### **INVESTMENT MANAGEMENT SERVICES**

This Professional Services Agreement is entered into and made effective as of the date of last signature below (the "Effective Date") by and between UTAH TRANSIT AUTHORITY, a public transit district organized under the laws of the State of Utah ("UTA"), and CHANDLER ASSET MANAGEMENT, INC., a S-Corporation ("Consultant").

#### **RECITALS**

WHEREAS, UTA desires to hire professional services for Investment Advisory Services.

WHEREAS, On June 15, 2021, UTA issued Request for Proposal ("RFP") package number RFP 21-03454 encouraging interested parties to submit proposals to perform the services described in the RFP.

WHEREAS, Upon evaluation of the proposals submitted in response to the RFP, UTA selects Consultant as the preferred entity with whom to negotiate a contract to perform the Work.

WHEREAS, Consultant is qualified and willing to perform the Work as set forth in the Scope of Services.

#### **AGREEMENT**

NOW, THEREFORE, in accordance with the foregoing Recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants and agreements hereafter set forth, the mutual benefits to the parties to be derived here from, and for other valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is hereby agreed as follows:

##### **1. SERVICES TO BE PROVIDED**

- a. Consultant shall perform all Work as set forth in the Scope of Services (Exhibit A). Except for items (if any) which this Contract specifically states will be UTA-provided, Consultant shall furnish all the labor, material and incidentals necessary for the Work.
- b. Consultant shall perform all Work under this Contract in a professional manner, using at least that standard of care, skill and judgment which can reasonably be expected from similarly situated professionals.
- c. All Work shall conform to generally accepted standards in the transit industry. Consultant shall perform all Work in compliance with applicable laws, regulations, rules, ordinances, permit constraints and other legal requirements including, without limitation,

those related to safety and environmental protection.

- d. Consultant shall furnish only qualified personnel and materials necessary for the performance of the Work.
- e. When performing Work on UTA property, Consultant shall comply with all UTA work site rules including, without limitation, those related to safety and environmental protection.

## **2. MANAGEMENT OF WORK**

- a. Consultant's Project Manager will be the day-to-day contact person for Consultant and will be responsible for all Work, as well as the coordination of such Work with UTA.
- b. UTA's Project Manager will be the day-to-day contact person for UTA and shall act as the liaison between UTA and Consultant with respect to the Work. UTA's Project Manager shall also coordinate any design reviews, approvals or other direction required from UTA with respect to the Work.

## **3. PROGRESS OF WORK**

- a. Consultant shall prosecute the Work in a diligent and continuous manner and in accordance with all applicable notice to proceed, critical path schedule and guaranteed completion date requirements set forth in (or developed and agreed by the parties in accordance with) the Scope of Services.
- b. Consultant shall conduct regular meetings to update UTA's Project Manager regarding the progress of the Work including, but not limited to, any unusual conditions or critical path schedule items that could affect or delay the Work. Such meetings shall be held at intervals mutually agreed to between the parties.
- c. Consultant shall deliver monthly progress reports and provide all Contract submittals and other deliverables as specified in the Scope of Services.
- d. Any drawing or other submittal reviews to be performed by UTA in accordance with the Scope of Services are for the sole benefit of UTA and shall not relieve Consultant of its responsibility to comply with the Contract requirements.
- e. UTA will have the right to inspect, monitor and review any Work performed by Consultant hereunder as deemed necessary by UTA to verify that such Work conforms to the Contract requirements. Any such inspection, monitoring and review performed by UTA is for the sole benefit of UTA and shall not relieve Consultant of its responsibility to comply with the Contract requirements.
- f. UTA shall have the right to reject Work which fails to conform to the requirements of this Contract. Upon receipt of notice of rejection from UTA, Consultant shall (at its sole expense and without entitlement to equitable schedule relief) promptly re-perform, replace or re-execute the Work so as to conform to the Contract requirements.
- g. If Consultant fails to promptly remedy rejected Work as provided in Section 3.f, UTA

may (without limiting or waiving any rights or remedies it may have) perform necessary corrective action using other contractors or UTA's own forces. Any costs reasonably incurred by UTA in such corrective action shall be chargeable to Consultant.

#### **4. PERIOD OF PERFORMANCE**

This Contract shall commence as of the Effective Date. This Contract shall remain in full force and effect for a 10-year period expiring September 30, 2031. The rights and obligations of UTA and Consultant under this Contract shall always be subject to and conditioned upon the provisions of this Contract.

#### **5. COMPENSATION**

- a. For the performance of the Work, UTA shall pay Consultant in accordance with the payment provisions described in Exhibit B. Payments shall be made in accordance with the milestones or other payment provisions detailed in Exhibit B. If Exhibit B does not specify any milestones or other payment provisions, then payment shall be made upon completion of all Work and final acceptance thereof by UTA. Payment will not exceed \$115,000.00 per year or \$1,150,000.00 for the ten (10) year period. However, if during the contract term, if the value of the assets managed by the Consultant exceeds \$225 million for three consecutive months, the Consultant and the City will negotiate a new contract cap reflective of the assets under management.
- b. To the extent that Exhibit B or another provision of this Contract calls for any portion of the consideration to be paid on a cost-reimbursement basis, such costs shall only be reimbursable to the extent allowed under 2 CFR Part 200 Subpart E. Compliance with federal cost principles shall apply regardless of funding source for this Contract.
- c. To the extent that Exhibit B or another provision of this Contract calls for any portion of the consideration to be paid on a time and materials or labor hour basis, then Consultant must refer to the not-to-exceed amount, maximum Contract amount, Contract budget amount or similar designation (any of these generically referred to as the "Not to Exceed Amount") specified in Exhibit B (as applicable). Unless and until UTA has notified Consultant by written instrument designated or indicated to be a Change Order that the Not to Exceed Amount has been increased (which notice shall specify a revised Not to Exceed Amount): (i) Consultant shall not be obligated to perform services or incur costs which would cause its total compensation under this Contract to exceed the Not to Exceed Amount; and (ii) UTA shall not be obligated to make payments which would cause the total compensation paid to Consultant to exceed the Not to Exceed Amount.
- d. UTA may withhold and/or offset from payment any amounts reasonably reflecting: (i) items of Work that have been rejected by UTA in accordance with this Contract; (ii) invoiced items that are not payable under this Contract; or (iii) amounts Consultant owes to UTA under this Contract.

#### **6. INCORPORATED DOCUMENTS**

- a. The following documents hereinafter listed in chronological order, with most recent

document taking precedence over any conflicting provisions contained in prior documents (where applicable), are hereby incorporated into the Contract by reference and made a part hereof:

1. The terms and conditions of this Goods and Services Supply Agreement (including any exhibits and attachments hereto).
  2. Contractor's Proposal including, without limitation, all federal certifications (as applicable).
  3. UTA's RFP including, without limitation, all attached or incorporated terms, conditions, federal clauses (as applicable), drawings, plans, specifications and standards and other descriptions of the Goods and Services.
- b. The above-referenced documents are made as fully a part of the Contract as if hereto.

## **7. ORDER OF PRECEDENCE**

The Order of Precedence for this contract is as follows:

- UTA Contract including all attachments
- UTA Terms and Conditions
- UTA Solicitation Terms
- Contractor's Bid or Proposal including proposed terms or conditions

Any contractor proposed term or condition which conflicts with a UTA contract, solicitation term, or condition will be deemed null and void.

## **8. CHANGES**

- a. UTA's Project Manager or designee may, at any time, by written order designated or indicated to be a Change Order, direct changes in the Work including, but not limited to, changes:
  - A. In the Scope of Services;
  - B. In the method or manner of performance of the Work; or
  - C. In the schedule or completion dates applicable to the Work.

To the extent that any change in Work directed by UTA causes an actual and demonstrable impact to: (i) Consultant's cost of performing the work; or (ii) the time required for the Work, then (in either case) the Change Order shall include an equitable adjustment to this Contract to make Consultant whole with respect to the impacts of such change.

- b. A change in the Work may only be directed by UTA through a written Change Order or (alternatively) UTA's expressed, written authorization directing Consultant to proceed pending negotiation of a Change Order. Any changes to this Contract undertaken by Consultant without such written authority shall be at Consultant's sole risk. Consultant shall not be entitled to rely on any other manner or method of direction.
- c. Consultant shall also be entitled to an equitable adjustment to address the actual and

demonstrable impacts of “constructive” changes in the Work if: (i) subsequent to the Effective Date of this Contract, there is a material change with respect to any requirement set forth in this Contract; or (ii) other conditions exist or actions are taken by UTA which materially modify the magnitude, character or complexity of the Work from what should have been reasonably assumed by Consultant based on the information included in (or referenced by) this Contract. In order to be eligible for equitable relief for “constructive” changes in Work, Consultant must give UTA’s Project Manager or designee written notice stating:

- A. The date, circumstances, and source of the change; and
- B. That Consultant regards the identified item as a change in Work giving rise to an adjustment in this Contract.

Consultant must provide notice of a “constructive” change and assert its right to an equitable adjustment under this Section within ten (10) days after Consultant becomes aware (or reasonably should have become aware) of the facts and circumstances giving rise to the “constructive” change. Consultant’s failure to provide timely written notice as provided above shall constitute a waiver of Consultant’s rights with respect to such claim.

- d. As soon as practicable, but in no event longer than 30 days after providing notice, Consultant must provide UTA with information and documentation reasonably demonstrating the actual cost and schedule impacts associated with any change in Work. Equitable adjustments will be made via Change Order. Any dispute regarding the Consultant’s entitlement to an equitable adjustment (or the extent of any such equitable adjustment) shall be resolved in accordance with Article 21 of this Contract.

## **9. INVOICING PROCEDURES**

- a. Consultant shall submit Account Statements to UTA’s Project Manager for review and processing. Account Statements shall be provided in the form specified by UTA. Reasonable supporting documentation demonstrating Consultant’s entitlement to its fees must be submitted with each Account Statement.
- b. UTA shall have the right to disapprove and dispute the fees to be paid to Consultant, or otherwise address deficiencies in the Account Statement, within sixty (60) days of receipt of the Account Statement. Approval by UTA shall not be unreasonably withheld.

## **10. OWNERSHIP OF DESIGNS, DRAWINGS, AND WORK PRODUCT**

Any deliverables prepared or developed pursuant to the Contract including without limitation drawings, specifications, manuals, calculations, maps, sketches, designs, tracings, notes, reports, data, computer programs, models and samples, shall become the property of UTA when prepared, and, together with any documents or information furnished to Contractor and its employees or agents by UTA hereunder, shall be delivered to UTA upon request, and, in any event, upon termination or final acceptance of the Goods and Services. UTA shall have full rights and privileges to use and reproduce said items. To the extent that any deliverables include or incorporate preexisting intellectual property of Contractor, Contractor hereby grants UTA a fully paid, perpetual license to use such intellectual property for UTA’s

operation, maintenance, modification, improvement, and replacement of UTA's assets. The scope of the license shall be fully necessary to accomplish those purposes, including the right to share same with UTA's contractors, agent, officers, directors, employees, joint owners, affiliates, and consultants.

#### **11. USE OF SUBCONTRACTORS**

- a. Consultant shall give advance written notification to UTA of any proposed subcontract (not indicated in Consultant's Proposal) negotiated with respect to the Work. UTA shall have the right to approve all subcontractors, such approval not to be withheld unreasonably.
- b. No subsequent change, removal or substitution shall be made with respect to any such subcontractor without the prior written approval of UTA.
- c. Consultant shall be solely responsible for making payments to subcontractors, and such payments shall be made within thirty (30) days after Consultant receives corresponding payments from UTA.
- d. Consultant shall be responsible for and direct all Work performed by subcontractors.
- e. Consultant agrees that no subcontracts shall provide for payment on a cost-plus-percentage-of-cost basis. Consultant further agrees that all subcontracts shall comply with all applicable laws.

#### **12. KEY PERSONNEL**

Consultant shall provide the key personnel as indicated in Consultant's Proposal (or other applicable provisions of this Contract) and shall not change any of said key personnel without the express written consent of UTA.

#### **13. SUSPENSION OF WORK**

- a. UTA may, at any time, by written order to Consultant, require Consultant to suspend, delay, or interrupt all or any part of the Work called for by this Contract. Any such order shall be specifically identified as a "Suspension of Work Order" issued pursuant to this Article. Upon receipt of such an order, Consultant shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of further costs allocable to the Work covered by the order during the period of Work stoppage.
- b. If a Suspension of Work Order issued under this Article is canceled, Consultant shall resume Work as mutually agreed to in writing by the parties hereto.
- c. If a Suspension of Work Order is not canceled and the Work covered by such order is terminated for the convenience of UTA, reasonable costs incurred because of the Suspension of Work Order shall be considered in negotiating the termination settlement.
- d. If the Suspension of Work causes an increase in Consultant's cost or time to perform the Work, UTA's Project Manager or designee shall make an equitable adjustment to compensate Consultant for the additional costs or time and modify this Contract by Change Order.

#### 14. **TERMINATION**

- a. **FOR CONVENIENCE:** UTA shall have the right to terminate the Contract at any time by providing written notice to Contractor. If the Contract is terminated for convenience, UTA shall pay Contractor: (i) in full for Goods delivered and Services fully performed prior to the effective date of termination; and (ii) an equitable amount to reflect costs incurred (including Contract close-out and subcontractor termination costs that cannot be reasonably mitigated) and profit on work-in-progress as of to the effective date of the termination notice. UTA shall not be responsible for anticipated profits based on the terminated portion of the Contract. Contractor shall promptly submit a termination claim to UTA. If Contractor has any property in its possession belonging to UTA, Contractor will account for the same, and dispose of it in the manner UTA directs.
- b. **FOR DEFAULT:** If Contractor (a) becomes insolvent; (b) files a petition under any chapter of the bankruptcy laws or is the subject of an involuntary petition; (c) makes a general assignment for the benefit of its creditors; (d) has a receiver appointed; (e) should fail to make prompt payment to any subcontractors or suppliers; or (f) fails to comply with any of its material obligations under the Contract, UTA may, in its discretion, after first giving Contractor seven (7) days written notice to cure such default:
1. Terminate the Contract (in whole or in part) for default and obtain the Goods and Services using other contractors or UTA's own forces, in which event Contractor shall be liable for all incremental costs so incurred by UTA;
  2. Pursue other remedies available under the Contract (regardless of whether the termination remedy is invoked); and/or
  3. Except to the extent limited by the Contract, pursue other remedies available at law.
- c. **CONTRACTOR'S POST TERMINATION OBLIGATIONS:** Upon receipt of a termination notice as provided above, Contractor shall (i) immediately discontinue all work affected (unless the notice directs otherwise); and (ii) deliver to UTA all data, drawings and other deliverables, whether completed or in process. Contractor shall also remit a final invoice for all services performed and expenses incurred in full accordance with the terms and conditions of the Contract up to the effective date of termination. UTA shall calculate termination damages payable under the Contract, shall offset such damages against Contractor's final invoice, and shall invoice Contractor for any additional amounts payable by Contractor (to the extent termination damages exceed the invoice). All rights and remedies provided in this Article are cumulative and not exclusive. If UTA terminates the Contract for any reason, Contractor shall remain available, for a period not exceeding 90 days, to UTA to respond to any questions or concerns that UTA may have regarding the Goods and Services furnished by Contractor prior to termination.

#### 15. **INFORMATION, RECORDS and REPORTS; AUDIT RIGHTS**

Consultant shall retain all books, papers, documents, accounting records and other evidence to support any cost-based billings allowable under Exhibit B (or any other provision of this Contract). Such records shall include, without limitation, time sheets and other cost

documentation related to the performance of labor services, as well as subcontracts, purchase orders, other contract documents, invoices, receipts or other documentation supporting non-labor costs. Consultant shall also retain other books and records related to the performance, quality, or management of this Contract and/or Consultant's compliance with this Contract. Records shall be retained by Consultant for a period of at least six (6) years after completion of the Work, or until any audit initiated within that six-year period has been completed (whichever is later). During this six-year period, such records shall be made available at all reasonable times for audit and inspection by UTA and other authorized auditing parties including, but not limited to, the Federal Transit Administration. Copies of requested records shall be furnished to UTA or designated audit parties upon request. Consultant agrees that it shall flow-down (as a matter of written contract) these records requirements to all subcontractors utilized in the performance of the Work at any tier.

#### **16. FINDINGS CONFIDENTIAL**

Any documents, reports, information, or other data and materials available to or prepared or assembled by Consultant or subcontractors under this Contract are considered confidential and shall not be made available to any person, organization, or entity by Consultant without consent in writing from UTA.

- a. It is hereby agreed that the following information is not considered to be confidential:
  - A. Information already in the public domain.
  - B. Information disclosed to Consultant by a third party who is not under a confidentiality obligation.
  - C. Information developed by or in the custody of Consultant before entering into this Contract.
  - D. Information developed by Consultant through its work with other clients.
  - E. Information required to be disclosed by law or regulation including, but not limited to, subpoena, court order or administrative order.

#### **17. PUBLIC INFORMATION**

Contractor acknowledges that the Contract and related materials (invoices, orders, etc.) will be public documents under the Utah Government Records Access and Management Act (GRAMA). Contractor's response to the solicitation for the Contract will also be a public document subject to GRAMA, except for legitimate trade secrets, so long as such trade secrets were properly designated in accordance with terms of the solicitation.

#### **18. GENERAL INDEMNIFICATION**

Contractor shall indemnify, hold harmless and defend UTA, its officers, trustees, agents, and employees (hereinafter collectively referred to as "Indemnities") from and against all liabilities, claims, actions, damages, losses, and expenses including without limitation reasonable attorneys' fees and costs (hereinafter referred to collectively as "claims") related to bodily injury, including death, or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the acts or omissions of Contractor or any of its owners, officers, directors,

agents, employees or subcontractors. This indemnity includes any claim or amount arising out of the failure of such Contractor to conform to federal, state, and local laws and regulations. If an employee of Contractor, a subcontractor, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable brings a claim against UTA or another Indemnities, Contractor's indemnity obligation set forth above will not be limited by any limitation on the amount of damages, compensation or benefits payable under any employee benefit acts, including workers' compensation or disability acts. The indemnity obligations of Contractor shall not apply to the extent that claims arise out of the sole negligence of UTA or the Indemnities.

## **19. INSURANCE REQUIREMENTS**

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The Utah Transit Authority in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, his agents, representatives, employees or subcontractors and Contractor is free to purchase additional insurance as may be determined necessary.

- A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those Stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

### 1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

- |   |             |
|---|-------------|
| • General Aggregate                         | \$4,000,000 |
| • Products – Completed Operations Aggregate | \$1,000,000 |
| • Personal and Advertising Injury           | \$1,000,000 |
| • Each Occurrence                           | \$2,000,000 |

The policy shall be endorsed to include the following additional insured language: "The Utah Transit Authority shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

### 2. Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL)	\$2,000,000
-----------------------------	-------------

- a. The policy shall be endorsed to include the following additional insured language: "The Utah Transit Authority shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of

the Contractor, including automobiles owned, leased, hired or borrowed by the Contractor".

3. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$100,000
Disease – Each Employee	\$100,000
Disease – Policy Limit	\$500,000

- a. Policy shall contain a waiver of subrogation against the Utah Transit Authority.
- b. This requirement shall not apply when a contractor or subcontractor is exempt under UCA, AND when such contractor or subcontractor executes the appropriate waiver form.

4. Professional Liability (Errors and Omissions Liability)

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this Contract is completed.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include the following provisions:

- 1. On insurance policies where the Utah Transit Authority is named as an additional insured, the Utah Transit Authority shall be an additional insured to the full limits of liability purchased by the Consultant. Insurance limits indicated in this agreement are minimum limits. Larger limits may be indicated after the consultant's assessment of the exposure for this contract; for their own protection and the protection of UTA.
- 2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

C. NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended,

voided, or canceled except after thirty (30) days prior written notice has been given to the Utah Transit Authority, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to (Utah Transit Authority agency Representative's Name & Address).

- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or authorized to do business in the State and with an “A.M. Best” rating of not less than A-VII. The Utah Transit Authority in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the Utah Transit Authority with certificates of insurance (on standard ACORD form) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be sent to [insurancecerts@rideuta.com](mailto:insurancecerts@rideuta.com) and received and approved by the Utah Transit Authority before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

All certificates required by this Contract shall be emailed directly to Utah Transit Authority’s insurance email address at [insurancecerts@rideuta.com](mailto:insurancecerts@rideuta.com). The Utah Transit Authority project/contract number and project description shall be noted on the certificate of insurance. The Utah Transit Authority reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE UTAH TRANSIT AUTHORITY’S CLAIMS AND INSURANCE DEPARTMENT.**

- F. **SUBCONTRACTORS:** Contractors’ certificate(s) shall include all subcontractors as additional insured under its policies or subcontractors shall maintain separate insurance as determined by the Contractor, however, subcontractor’s limits of liability shall not be less than \$1,000,000 per occurrence/\$2,000,000 aggregate. Sub-contractors maintaining separate insurance shall name Utah Transit Authority as an additional insured on their policy. Blanket additional insured endorsements are not acceptable from sub-contractors. Utah Transit Authority must be scheduled as an additional insured on any sub-contractor policies.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by Claims and Insurance Department or the Office of General Counsel, whose decision shall be final. Such action will not require a formal Contract amendment but may be made by administrative action.

**20. OTHER INDEMNITIES**

- a. Consultant shall protect, release, defend, indemnify, and hold harmless UTA and the other Indemnities against and from any and all Claims of any kind or nature whatsoever on account of infringement relating to Consultant's performance under this Contract. If notified promptly in writing and given authority, information and assistance, Consultant shall defend, or may settle at its expense, any suit or proceeding against UTA so far as based on a claimed infringement and Consultant shall pay all damages and costs awarded therein against UTA due to such breach. In case any portion of the Work is in such suit held to constitute such an infringement or an injunction is filed that interferes with UTA's rights under this Contract, Consultant shall, at its expense and through mutual agreement between the UTA and Consultant, either procure for UTA any necessary intellectual property rights, or modify Consultant's services or deliverables such that the claimed infringement is eliminated.
- b. Consultant shall: (i) protect, release, defend, indemnify and hold harmless UTA and the other Indemnities against and from any and all liens or Claims made or filed against UTA or upon the Work or the property on which the Work is located on account of any labor performed or labor, services, and equipment furnished by subcontractors of any tier; and (ii) keep the Work and said property free and clear of all liens or claims arising from the performance of any Work covered by this Contract by Consultant or its subcontractors of any tier. If any lien arising out of this Contract is filed, before or after Work is completed, Consultant, within ten (10) calendar days after receiving from UTA written notice of such lien, shall obtain a release of or otherwise satisfy such lien. If Consultant fails to do so, UTA may take such steps and make such expenditures as in its discretion it deems advisable to obtain a release of or otherwise satisfy any such lien or liens, and Consultant shall upon demand reimburse UTA for all costs incurred and expenditures made by UTA in obtaining such release or satisfaction. If any non-payment claim is made directly against UTA arising out of non-payment to any subcontractor, Consultant shall assume the defense of such claim within ten (10) calendar days after receiving from UTA written notice of such claim. If Consultant fails to do so, Consultant shall upon demand reimburse UTA for all costs incurred and expenditures made by UTA to satisfy such claim.

**21. INDEPENDENT CONTRACTOR**

Consultant is an independent contractor and agrees that its personnel will not represent themselves as, nor claim to be, an officer or employee of UTA by reason of this Contract. Consultant is responsible to provide and pay the cost of all its employees' benefits.

**22. PROHIBITED INTEREST**

No member, officer, agent, or employee of UTA during his or her tenure or for one year thereafter shall have any interest, direct or indirect, including prospective employment by Consultant in this Contract or the proceeds thereof without specific written authorization by UTA.

**23. CLAIMS/DISPUTE RESOLUTION**

- a. "Claim" means any disputes between UTA and the Contractor arising out of or relating to the Contract Documents including any disputed claims for Contract adjustments that cannot be resolved in accordance with the Change Order negotiation process set forth in Article 6. Claims must be made by written notice. The responsibility to substantiate claims rests with the party making the claim.
- b. Unless otherwise directed by UTA in writing, Contractor shall proceed diligently with performance of the Work pending final resolution of a Claim, including litigation. UTA shall continue to pay any undisputed payments related to such Claim.
- c. The parties shall attempt to informally resolve all claims, counterclaims and other disputes through the escalation process described below. No party may bring a legal action to enforce any term of this Contract without first having exhausted such process.
- d. The time schedule for escalation of disputes, including disputed requests for change order, shall be as follows:

<b>Level of Authority</b>	<b>Time Limit</b>
UTA's Project Manager/Contractor's Project Manager	Five calendar days
UTA's Supervisor/Contractor's Supervisor	Five calendar days
UTA's Division Manager/Contractor's CFO	Five calendar days

Unless otherwise directed by UTA's Project Manager, Contractor shall diligently continue performance under this Contract while matters in dispute are being resolved.

If the dispute cannot be resolved informally in accordance with the escalation procedures set forth above, then either party may commence formal mediation under the Juris Arbitration and Mediation (JAMS) process using a mutually agreed upon JAMS mediator. If resolution does not occur through Mediation, then legal action may be commenced in accordance the venue and governing law provisions of this contract.

## **24. GOVERNING LAW**

This Contract shall be interpreted in accordance with the substantive and procedural laws of the State of Utah. Any litigation between the parties arising out of or relating to this Contract will be conducted exclusively in federal or state courts in the State of Utah and Consultant consents to the jurisdiction of such courts.

## **25. ASSIGNMENT OF CONTRACT**

Consultant shall not assign, sublet, sell, transfer, or otherwise dispose of any interest in this Contract without prior written approval of UTA, and any attempted transfer in violation of this

restriction shall be void.

**26. NONWAIVER**

No failure or waiver or successive failures or waivers on the part of either party in the enforcement of any condition, covenant, or article of this Contract shall operate as a discharge of any such condition, covenant, or article nor render the same invalid, nor impair the right of either party to enforce the same in the event of any subsequent breaches by the other party.

**27. NOTICES OR DEMANDS**

- a. Any formal notice or demand to be given by one party to the other shall be given in writing by one of the following methods: (i) hand delivered; (ii) deposited in the mail, properly stamped with the required postage; (iii) sent via registered or certified mail; or (iv) sent via recognized overnight courier service. All such notices shall be addressed as follows:

If to UTA:

Utah Transit Authority  
ATTN: Pat Postell  
669 West 200 South  
Salt Lake City, UT 84101

with a required copy to:

Utah Transit Authority  
ATTN: Legal Counsel  
669 West 200 South  
Salt Lake City, UT 84101

If to Consultant:

Chandler Asset Management, Inc.  
6225 Lusk Boulevard  
San Diego, CA 92121

- b. Any such notice shall be deemed to have been given, and shall be effective, on delivery to the notice address then applicable for the party to which the notice is directed; provided, however, that refusal to accept delivery of a notice or the inability to deliver a notice because of an address change which was not properly communicated shall not defeat or delay the giving of a notice. Either party may change the address at which such party desires to receive written notice by providing written notice of such change to any other party.
- c. Notwithstanding Section 23.1, the parties may, through mutual agreement, develop alternative communication protocols to address change notices, requests for information and similar categories of communications. Communications provided pursuant to such agreed means shall be recognized as valid notices under this Contract.

**28. CONTRACT ADMINISTRATOR**

UTA's Contract Administrator for this Contract is Pat Postell or designee. All questions and correspondence relating to the contractual aspects of this Contract should be directed to said Contract Administrator, or designee.

**29. INSURANCE COVERAGE REQUIREMENTS FOR CONSULTANT EMPLOYEES**

- a. The following requirements apply to the extent that: (i) the initial value of this Contract is

equal to or in excess of \$2 million; (ii) this Contract, with subsequent modifications, is reasonably anticipated to equal or exceed \$2 million; (iii) Consultant has a subcontract at any tier that involves a sub-consultant that has an initial subcontract equal to or in excess of \$1 million; or (iv) any subcontract, with subsequent modifications, is reasonably anticipated to equal or exceed \$1 million:

- b. Consultant shall, prior to the effective date of this Contract, demonstrate to UTA that Consultant has and will maintain an offer of qualified health insurance coverage (as defined by Utah Code Ann. § 17B-2a-818.5) for the Consultant's employees and the employee's dependents during the duration of this Contract.
- c. Consultant shall also demonstrate to UTA that subcontractors meeting the above-described subcontract value threshold have and will maintain an offer of qualified health insurance coverage (as defined by Utah Code Ann. § 17B-2a-818.5) for the subcontractor's employees and the employee's dependents during the duration of the subcontract.

### **30. COSTS AND ATTORNEY'S FEES**

If any party to this Agreement brings an action to enforce or defend its rights or obligations hereunder, the prevailing party shall be entitled to recover its costs and expenses, including mediation, arbitration, litigation, court costs and attorneys' fees, if any, incurred in connection with such suit, including on appeal

### **31. ANTIDISCRIMINATION**

1. Employment Practices. Offeror hereby declares that it is and will remain fully compliant with the provisions of the Utah Anti-discrimination Act (UTAH CODE §§ 34A-5-101 TO 34A-5-108) and the equivalent anti-discrimination laws of its State of incorporation and/or headquarters location. Under the Act, an employer may not refuse to hire, promote, discharge, demote, or terminate a person, or to retaliate against, harass, or discriminate in matters of compensation or in terms, privileges, and conditions of employment against a person otherwise qualified, because of: race, color, sex, pregnancy, childbirth, or pregnancy-related conditions; age, if the individual is 40 years of age or older; religion; national origin; disability; sexual orientation; or gender identity.
2. Goods and Services Provided to UTA. In addition to avoiding discriminatory employment practices as described above, Offeror also declares that all goods and services it provides to UTA are useable and accessible by individuals with disabilities as described in Title II of the American with Disabilities Act and Section III (H) of UTA Policy 6.1.1 which states that programs, services, and facilities procured by UTA will be accessible to and useable by individuals with disabilities. Offeror further certifies that any digital software, tool, program, or web application must meet the most recent version of the Web Content Accessibility Guidelines (WCAG) found at <https://www.w3.org/TR/WCAG21>. To the extent Offeror is providing transportation services, vehicles, or facilities it also declares that it is in compliance with Department of Transportation (DOT) ADA standards found at 49 CFR Parts 27, 37, 38, and 39.

**32. NO THIRD-PARTY BENEFICIARY**

The parties enter into this Contract for the sole benefit of the parties, in exclusion of any third party, and no third-party beneficiary is intended or created by the execution of this Contract.

**33. FORCE MAJEURE**

Neither party to the Contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which are beyond that party's reasonable control. UTA may terminate the Contract after determining such delay or default will reasonably prevent successful performance of the Contract.

**34. UTAH ANTI-BOYCOTT OF ISRAEL ACT**

Contractor agrees it will not engage in a boycott of the State of Israel for the duration of this contract.

**35. SEVERABILITY**

Any provision of this Contract prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Contract.

**36. ENTIRE AGREEMENT**

This Contract shall constitute the entire agreement and understanding of the parties with respect to the subject matter hereof, and shall supersede all offers, negotiations and other agreements with respect thereto. The terms of the Contract supersede any additional or conflicting terms or provisions that may be preprinted on Vendor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of Vendor that may subsequently be used to implement, record, or invoice Goods and/or Services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of UTA. The terms of the Contract prevail in any dispute between the terms of the Contract and the terms printed on any such standard forms or documents, and such standard forms or documents will not be considered written amendments of the Contract.

**37. AMENDMENTS**

Any amendment to this Contract must be in writing and executed by the authorized representatives of each party.

**38. COUNTERPARTS**

This Contract may be executed in any number of counterparts and by each of the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all

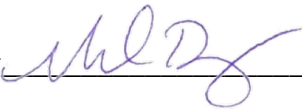
such counterparts shall together constitute but one and the same instrument. Any signature page of the Contract may be detached from any counterpart and reattached to any other counterpart hereof. The electronic transmission of a signed original of the Contract or any counterpart hereof and the electronic retransmission of any signed copy hereof shall be the same as delivery of an original.

**39. SURVIVAL**

Provisions of this Contract intended by their nature and content to survive termination of this Contract shall so survive including, but not limited to, Articles 5, 7, 8, 10, 14, 15, 17, 18, 19, 20, 23, 29 and 30.

IN WITNESS WHEREOF, the parties have made and executed this Contract as of the day, month and year of the last signature contained below.

**CHANDLER ASSET MANAGEMENT, INC.:    UTAH TRANSIT AUTHORITY:**

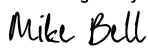
By 

Title President

By \_\_\_\_\_

\_\_\_\_\_  
Mary DeLoretto  
Interim Executive Director

\_\_\_\_\_  
William Greene  
Chief Financial Officer

DocuSigned by:  
  
361F16F838704A9...  
Mike Bell  
Assistant Attorney General

**EXHIBIT A**  
**SCOPE OF WORK**

**THE INVESTMENT ADVISOR SHALL;**

1. Provide transparency in every aspect of its services,
2. Provide a strategy to minimize risk and maximize return,
3. Provide timely reporting, at a minimum reporting shall include:
  - a. Details of every transaction
  - b. Monthly list of assets and valuations
  - c. Monthly fees charged for services
4. Provide periodic statement of compliance with the State Money Management Act and UTA's Investment SOP,
5. Provide data on any Investment Managers used.
6. Provide comprehensive, semi-annual portfolio reviews, which may include advice and training.

**EXHIBIT B  
PRICING**

**PRICE PROPOSAL/FEES**

Chandler is pleased to provide comprehensive, full time-discretionary investment management services to the UTA as described herein Chandler's proposal and in the UTA's *Scope of Services* in accordance with the following fee schedule:

<b>Assets Under Management</b>	<b>Annual Asset Management Fee</b>
First \$25 million	0.10 of 1% (10 basis points)
Next \$25 million	0.08 of 1% (8 basis points)
Next \$50 million	0.06 of 1% (6 basis points)
Assets over \$100 million	0.04 of 1% (4 basis points)

**Proposed Fee Schedule for the Utah Transit Authority**

Since the firm calculates fees based on the average balance of assets under our direct management (market value including accrued interest), they will fluctuate based on portfolio value. Fees are charged monthly in arrears and can be debited directly from your third-party custody account.

Fees are firm for the entire ten (10) year initial contract term as well as the optional two-additional extension periods. The UTA will not be subject to any increases during this period.

**1. What, if any, are the startup charges?**

There are no startup charges related to Chandler's investment management services.

**2. Describe the proposed compensation for services either as a flat annual fee or as a per trade fee with an annual cap.**

The proposed fee for services is a flat annual fee paid monthly based on average assets under management. Chandler's compensation is not transaction-based.

**3. Please indicate your applicable monthly fee schedule for the following account sizes: \$50 million, \$100 million, \$150 million, and \$200 million.**

An example of the fees assessed to the UTA at different asset levels according to the above proposed tiered fee schedule are as follows:

<b><u>Total Assets Under Management</u></b>	<b><u>Annual Fee in Basis Points</u></b>	<b><u>Annual Fee in \$ dollars</u></b>
\$50 million	9.0 bps	\$45,000
\$100 million	7.5 bps	\$75,000
\$150 million	6.3 bps	\$95,000

\$200 million

5.8 bps

\$115,000

**4. Indicate any additional transaction fees. (e.g., zero coupons, CDs, Treasury bills, notes, bonds).**

Fees are based on the amount of assets under management and are not based on transaction volume. Management fees will accrue as long as there are assets in the portfolio, even if there is no activity during the period. Since the firm calculates fees based on the average balance of assets Under our direct management (market value including accrued interest), fees will fluctuate based on portfolio value.

**5. Indicate any additional fees associated with a review and set of recommendations to update UTA's Investment SOP.**

There are no additional fees associated with a review of the UTA's Investment Procedures or to update UTA's Investment SOP. Chandler will perform a complete review of the investment procedures upon inception of the engagement and provide recommendations to update the language consistent with the Utah Money Management Act and best practices for governing the UTA's funds. We will work with your staff to revise the document subject to your comfort level. Furthermore, we will review the investment policy annually and work to incorporate any changes to state legal requirements or your objectives. These services are included as part of our investment management responsibilities.

**6. Indicate if there will be any miscellaneous fees and charges for the following: audit confirmation reporting, wire transfers, ACH transfers, meeting charges, etc. UTA will not reimburse any travel expenses.**

Our proposed fee schedule is all-inclusive for the services that Chandler provides, including full time investment advisory and portfolio management services, technological resources, onboarding and implementation, online access to the *Chandler Client Portal*, comprehensive reporting, meetings, personal visits, educational offerings for your staff, as well as the additional treasury support services described herein in Chandler's proposal. Chandler does not charge fees on funds held in vehicles not directly under our management, including Local Government Investment Pools and internally managed liquid funds. We can consolidate these funds in our reports to the UTA at no extra charge, providing a 360-degree view of the entire investment program.

**7. To manage cash flow and invest funds, UTA desires the capability of on-line/electronic monitoring of its accounts. On-line monitoring should be accessible via personal computer. What is your capability of providing electronic monitoring services? List your costs for providing these services.**

Chandler's comprehensive suite of monthly performance statements, quarterly investment reports, and GASB 40 and 72 reports are designed with the needs of public agencies in mind and will provide all required information for the UTA's internal tracking and accounting systems. These documents, as well as a variety of other historical statements, reports, trade tickets, and more can be downloaded via the *Client Portal*, Chandler's online reporting tool, and is available 24 hours a day/7days a week to anyone with internet access. There is no additional cost for the UTA to access the portal.

**8. PLEASE NOTE: Please include all additional fees in this section. No additional fees will be added or allowed in the future unless they are noted in your proposal submission and agreed to by UTA.**

Our fee schedule does not include charges that the UTA would incur for third party custodial services.

## Chandler's Strategy Composite Performance Net of Fees

In the *Method and Approach* section of our technical proposal, we provided performance on a gross basis through March 31, 2021, for two of Chandler's strategies commonly used by our public agency clients. We have included below both gross *and net-of-fees* performance for these strategies with the proposed fee of 9 basis points for a \$50 million account.

### Chandler Composite Performance – Gross and Net of Fees

As of March 31, 2021

	One Year	Three Years	Five Years	Ten Years	Since Inception
<b>Chandler Limited Maturity (gross) (inception: 9/30/88)</b>	<b>1.18%</b>	<b>2.94%</b>	<b>1.92%</b>	<b>1.54%</b>	<b>4.50%</b>
<b>Chandler Limited Maturity (net)</b>	<b>1.09%</b>	<b>2.85%</b>	<b>1.83%</b>	<b>1.45%</b>	<b>4.41%</b>
<i>ICE BAML 1-3 Year US Treasury Index</i>	<i>0.25%</i>	<i>2.77%</i>	<i>1.71%</i>	<i>1.29%</i>	<i>4.21%</i>
<b>Chandler Short Term Bond (gross) (inception: 9/30/95)</b>	<b>1.29%</b>	<b>3.45%</b>	<b>2.15%</b>	<b>1.93%</b>	<b>4.02%</b>
<b>Chandler Short Term Bond (net)</b>	<b>1.20%</b>	<b>3.36%</b>	<b>2.06%</b>	<b>1.84%</b>	<b>3.93%</b>
<i>ICE BAML 1-5 Year US Treasury &amp; Agency Index</i>	<i>-0.07%</i>	<i>3.26%</i>	<i>1.91%</i>	<i>1.72%</i>	<i>3.76%</i>

Based on Chandler's Limited Maturity and Short Term Bond composites as of 3/31/2021. Performance results are presented gross and net of fees. Net returns are for proposed 9 basis points for a \$50 million portfolio and is hypothetical and not based on an actual client's account. The performance has been calculated using historical composite performance. Gross performance does not reflect payment of advisory fees and other expenses which will reduce performance. Past performance is not a guarantee of future results. All investment strategies have the potential for profit or loss. Market conditions or economic factors may alter the performance and results of a portfolio. Investment advisory fees are disclosed in the firm's form ADV, Part 2A. Performance for periods greater than one year is annualized. Please see GIPS Composite Reports and important disclosures in the **Appendix**. For one-on-one presentation only.

Chandler develops and implements portfolio strategies that we tailor to meet the needs of public agency clients. We group portfolios with similar characteristics into

composites for the purpose of computing and reporting GIPS®-compliant total return performance results. GIPS® represent an industry wide standard for performance calculation and reporting which facilitates comparison among investment firms. Chandler Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and prepares and presents its performance in compliance with these standards. Chandler is independently verified by ACA Performance Services for firm wide GIPS® compliance. A copy of the firm's most recent *GIPS® Verification Letter* is included following this fee proposal.



## EXHIBIT C

1. Client Representative. In its capacity as investment manager, Chandler shall receive all instructions, directions and other communications on Client's behalf respecting Client's account from Utah Transit Authority (Representative). Chandler is hereby authorized to rely and act upon all such instructions, directions and communications from such Representative or any agent of such Representative.
2. Investment Policy. In investing and reinvesting Client's assets, Chandler shall comply with Client's Investment Procedure, which is attached hereto as Exhibit 1.
3. Authority of Chandler. Chandler is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to the instructions given or guidelines set by Representative.
4. Notices. All reports and other communications required hereunder to be in writing shall be delivered in person, or sent by first-class mail postage prepaid, by overnight courier, by confirmed facsimile with original to follow or by confirmed electronic mail with proof of receipt to the addresses set forth below. Either party to this Agreement may, by written notice given at any time, designate a different address for the receipt of reports and other communications due hereunder.

Chandler Asset Management Client Representative  
Attn: Operations Dept.  
6225 Lusk Boulevard  
San Diego, CA 92121

5. Electronic Delivery. From time to time, Chandler may be required to deliver certain documents to Client such as account information, notices and required disclosures. Client hereby consents to Chandler's use of electronic means, such as email, to make such delivery. This delivery may include notification of the availability of such document(s) on a website, and Client agrees that such notification will constitute "delivery". Client further agrees to provide Chandler with Client's email address(s) and to keep this information current at all times by promptly notifying Chandler of any change in email address(s).

Client email address(s): Emily Diaz, [ediaz@rideuta.com](mailto:ediaz@rideuta.com) or  
William Greene, [wgreene@rideuta.com](mailto:wgreene@rideuta.com)

6. Proxy Voting. Chandler will vote proxies on behalf of Client unless otherwise instructed. Chandler has adopted and implemented written policies and procedures and will

provide Client with a description of the proxy voting procedures upon request. Chandler will provide information regarding how Clients' proxies were voted upon request. To request proxy policies or other information, please contact us by mail at the address provided, by calling 800-317-4747 or by emailing your request to info@chandlerasset.com.

7. Custody of Securities and Funds. Chandler shall not have custody or possession of the funds or securities that Client has placed under its management. Client shall appoint a custodian to take and have possession of its assets. Client recognizes the importance of comparing statements received from the appointed custodian to statements received from Chandler. Client recognizes that the fees expressed above do not include fees Client will incur for custodial services.
8. Valuation. Chandler will value securities held in portfolios managed by Chandler no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Chandler to reflect fair market value.
9. Investment Advice. Client recognizes that the opinions, recommendations and actions of Chandler will be based on information deemed by it to be reliable, but not guaranteed to or by it. Provided that Chandler acts in good faith, Client agrees that Chandler will not in any way be liable for any error in judgment or for any act or omission, except as may otherwise be provided for under the Federal Securities laws or other applicable laws.
10. Payment of Commissions. Chandler may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Chandler to strive for the best price and execution and for commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28I of the Securities and Exchange Act. Nevertheless, it is understood that Chandler may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Chandler makes no warranty or representation regarding commissions paid on transactions hereunder.
11. Other Clients. It is further understood that Chandler may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for Client's portfolio may differ from those made or recommended with respect to other accounts and clients even though the investment objectives may be the same or similar. Accordingly, it is agreed that Chandler will have no obligation to purchase or sell for Client's account any securities which it may purchase or sell for other clients.
12. Confidential Relationship. The terms and conditions of this Agreement, and all information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except (i) as required by law, rule, or regulation, (ii) as requested by a regulatory authority, (iii) for disclosures by either party of information that has become public by means other than wrongful conduct by such party or its officers, employees, or other personnel, (iv) for disclosures by either party to its legal counsel, accountants, or other professional advisers, (v) as necessary for Chandler

to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.

13. Receipt of Brochure and Privacy Policy. Client has received the disclosure statement or “brochure” and “brochure supplement” also known as Part 2A and Part 2B of Form ADV, required to be delivered pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (Brochure). Client has received a copy of Chandler’s Privacy Policy.

## **EXHIBIT 1**

### **UTA INVESTMENT POLICY**

#### UTAH TRANSIT AUTHORITY OFFICE SOP No. 2.1.5.1

##### **INVESTMENT PROCEDURES**

###### **I.Purpose.**

The UTA Board of Directors in their Board Policy 1.2 - Financial Management, delegated authority over investment of UTA's cash to the Treasurer. These procedures are intended to provide guidance to those UTA employees involved in buying, selling, tracking, and reporting upon UTA investments.

###### **II.Definitions.**

Broker-dealer means a person or firm in the business of buying and selling securities for its own account or on behalf of its customers. A brokerage acts as a broker when it executes orders on behalf of its clients, whereas it acts as a dealer when it trades for its own account.

Cash Flow Model means a detailed picture of cash inflows and outflows generated through UTA's operating and capital programs. For investments, the cash flow model must provide cash available for investment for at least five years into the future and include cash variations throughout the annual business cycle.

CUSIP number means a unique identification number assigned to all stocks and registered bonds in the United States and Canada. It is used to create a concrete distinction between securities that are traded on public markets

Delivery versus payment (DVP) means a securities industry settlement method that guarantees the transfer of securities only happens after payment has been made. DVP stipulates that the buyer's cash payment for securities must be made prior to or at the same time as the delivery of the security.

Federal Funds Rate means the interest rate that banks charge other banks for lending to them excess cash from their reserve balances on an overnight basis. By law, banks must maintain a reserve equal to a certain percentage of their deposits in an account at a Federal Reserve bank.

Investment means a monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit. Allowed investments are limited to those permitted under the Utah Money Management Act.

Liquidity means the ease with which an investment can be converted into ready cash without affecting its market price.

Long-term Financial Plan means a forecast of cash inflows and outflows generated through UTA's operating and capital programs for a period of up to 30 years.

Prudent Person Standard means that investments shall be made with judgment and care, under circumstance then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Safety means an investment which provides good returns with relatively little or no risk at all.

Trade ticket means a record of all the terms, conditions, and basic information of a trade agreement. The creation of a trade ticket comes after the transaction and commonly includes the following information: transaction type, security's name, order type, order duration, quantity, price, commission paid, names of involved parties, date and time of transaction.

Utah Money Management Act means Title 51, Section 7 of the Utah Code.

Yield means the earnings generated and realized on an investment over a particular period of time. It's expressed as a percentage based on the invested amount, current market value, or face value of the security. It includes the interest earned or dividends received from holding a particular security.

Yield curve means a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity. There are three main types of yield curve shapes: normal (upward sloping curve), inverted (downward sloping curve) and flat.

### III. Standard Operating Procedures

#### A. Determining Cash Available for Investment

1. Before purchasing investments, an evaluation of cash availability for investment should be performed. Although the long-term financial plan provides information about ending cash balances by year, a cash flow model needs to be developed that shows anticipated cash balances by month. As monthly sales tax revenue is distributed to UTA around the 22<sup>nd</sup> of each month, cash flows within the month should also be considered.

2. Information from the cash flow model can be used to determine the amount of cash which can be invested and the length of time for which it may be invested. As UTA's Financial Management policy requires the maintenance of certain reserves, it may be possible for some of those reserves to be invested for up to the maximum time period allowed by the Utah Money Management Act. However, most investments will be of shorter duration with liquidity and safety of the investments being more important than yield.

3. After determining the amounts of cash available for investment by maturity, this should be compared to current investments' maturities. Differences between the two will provide the amounts available for investment by maturity. Although amounts may be available for longer-term investment, the investment yields for maturities should be considered before investing. Generally, investments are most favorable at the steepest point on the yield curve. Economic trends and activity may also need to be considered to avoid buying longer-term investments at a low point of an interest rate cycle.

**B. Buying Investments**

1. Once an investment amount and maturity is determined, several decisions need to be made about the type of security to be purchased. The Utah Money Management Act sets maximum percentages of total investments in certain types of securities. Accordingly, the Treasurer must ensure that the new security being purchased does not exceed the maximum percentage at the time of investment or over the expected life of the investment. All investments must meet the Prudent Person Standard.

2. Before buying individual investments, the Treasurer should consider whether investing with the Public Treasurers' Investment Fund ("PTIF") or another approved third-party investment option like Zions Capital Advisors ("ZCA") better meets investment objectives.

3. Investments with PTIF are made with the approval of two authorized signers and are typically made for cash flow purposes. The approval is provided to Accounting who then makes the arrangements with PTIF for the transaction.

4. Investment amounts with ZCA are determined by the Treasurer. If funds are to be added to or taken from ZCA, the Treasurer provides the Financial Services Administrator, in writing, of the specific amounts of the transaction to be made. The Financial Service Administrator provides the documentation to Accounting who then makes the arrangements for the transaction.

5. If individual investments are chosen, upon the Treasurer's direction, the Financial Services Administrator will provide a notice to UTA's approved broker-dealers of the investment amount, desired maturity and type of investment, and the response deadline (usually an hour after the notice is sent). All investments will be made DVP and will be held by an independent third-party safekeeping institution.

6. As soon as possible after the response deadline, the Treasurer will decide upon the successful broker-dealer investment. In case of a tie, the Treasurer is encouraged to award to the broker-dealer with the highest number of days since last award. The Financial Service Administrator will notify the broker-dealers as soon as possible of the winning investment. Because the investment market pricing constantly changes, the final pricing for the investment will likely be slightly different from the pricing at the response deadline. The broker-dealer will provide a trade ticket which will include information such as principal, accrued interest, discount or premium, investment identification, and closing date.

7. The Financial Services Administrator will provide the trade ticket to Accounting so that Accounting can ensure that funds are available in UTA's general account before the settlement date for purchase of the investment.

C. Selling Investments

1. Usually investments are held until their maturity date. However, from time-to-time conditions exist in the market in which sale of an investment could result in substantial gains and higher effective yields. A minimum gain threshold should be established (e.g., gain equal to or greater than .4% of amount invested) as well as likelihood of investing the resulting cash at a favorable rate.

2. Upon the Treasurer's directions to sell an investment, the Financial Services Administrator shall provide a notice to UTA's approved broker-dealers that UTA is accepting bids for the sale of the investment along with the response (usually an hour after the notice is sent).

3. As soon as possible after the response deadline, the Treasurer will decide upon the successful broker-dealer based upon total sale price. In case of a tie, the Treasurer is encouraged to award to the broker-dealer with the highest number of days since last award. The Financial Service Administrator will notify the broker-dealers as soon as possible of the winning buyer. Because the investment market pricing constantly changes, the sales price of the investment will likely be slightly different from the sales price offered at the response deadline. The broker-dealer will provide a trade ticket for the sale which will include information such as principal, accrued interest, discount or premium, investment identification, and closing date.

4. The Financial Services Administrator will provide the trade ticket to Accounting.

D. Tracking Investments

1. The Financial Services Administrator will use information from trade tickets and PTIF and ZCA documentation to update the current investment list.
2. For investments purchased, at a minimum, the investment list must include investment description, CUSIP number, principal amount purchased, premium or discount, accrued interest, total amount invested, purchase date, broker/ dealer used, maturity date, and purchased yield.
3. For investments sold, at a minimum, the investment list must include the date sold, sale amount, accrued interest, broker/ dealer used, and a calculation of gain and real return for the time period the investment was held.

E. Reporting

1. In accordance with Board Policy 2.1 - Financial Management, the Treasurer shall present a quarterly investment report to the Board of Trustees as soon as practical after the end of the calendar quarter. At a minimum, the quarterly report shall include sections on investments held at the end of the quarter, benchmarking comparisons, investments purchased during the quarter, and investments sold during the quarter.
2. The investments held at the end of the quarter section shall include, at a minimum, a description of the investment, CUSIP number, amount invested, purchase date, maturity date, yield to maturity and annual earnings.
3. The benchmark section shall include, at a minimum, the earnings rate at the end of each calendar month for other investments besides those held directly by UTA (Public Treasurer's Investment Fund and other third-parties investing on UTA's behalf, and the benchmark return at the end of each month (the highest of the 3-month Treasury Bill or the Federal Funds rate).
4. The investments purchased section shall include, at a minimum, a description of the investment, CUSIP number, amount invested, purchase date, maturity date, yield to maturity and annual earnings.
5. The investments sold section shall include, at a minimum, a description of the investment, CUSIP number, amount invested, date sold, sale amount, interest earned, and gain.

IV. Cross-References. SOP 3.1.8-1 - Treasury Management

This Office SOP was reviewed by the Comptroller and Financial Services Administrator on June 11, 2020, and approved by the Chief Financial Officer on this 11th day of June, 2002. This SOP takes effect on the latter date.



Robert K. Biles  
Chief Financial Officer

Approved as to form:

Mike Bell

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Counsel for the Authority

Revision History		Owner
Agency SOP - Investments - Adopted	<<Date>>	Treasurer
Corporate Policy 3.1.4 - Investments - Rescinded		Treasurer
Corporate Policy 3.1.4 - Investments - Revised	12/11/2018	Treasurer
Corporate Policy 3.1.4 - Investments - Adopted	1/23/2018	Treasurer



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** William Greene, Chief Financial Officer  
**PRESENTER(S):** Troy Bingham, Comptroller

**TITLE:**

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**Contract: UTA Employee Holiday Gift Cards 2021 (Harmon City, Inc.)**

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**AGENDA ITEM TYPE:**

Procurement Contract/Change Order

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**RECOMMENDATION:**

Approve award and authorize Interim Executive Director to execute the contract and associated disbursements with Harmon City, Inc. in an amount not to exceed \$293,625.

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**BACKGROUND:**

Traditionally, UTA has given a holiday gift card to employees to shop at a local grocery store to purchase holiday food for their families. These gift cards show UTA's appreciation for hard work and accomplishments during the year.

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**DISCUSSION:**

An Invitation For Bid (IFB) was published to multiple large grocery stores in the Salt Lake area to provide 2,600 gift cards with an option to purchase an additional 100 gift cards, for a value of \$125 each. This IFB was publicized as an open competitive bid with award of contract based on percentage discount offered in their bid.

After publication, the bids were reviewed, and Harmons City Inc. was selected as the lowest bidder. Harmons provided the largest discount of 13%.

UTA's payroll department expects to hand out the cards to employees the week of November 8<sup>th</sup>.

Harmons has been in business for over 88 years and has 18 locations along the Wasatch Front.

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**CONTRACT SUMMARY:**

Contractor Name:	Harmon City Inc.
Contract Number:	21-03499
Base Contract Effective Dates:	10/27/2021 - 12/31/2021
Extended Contract Dates:	N/A
Existing Contract Value:	N/A
Amendment Amount:	N/A
New/Total Amount Contract Value:	\$293,625
Procurement Method:	IFB
Funding Sources:	Funded with 2021 budget underruns

**ALTERNATIVES:**

Should the Board not approve the selection of Harmons City Inc. the IFB would need to start over.

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**FISCAL IMPACT:**

The initial purchase will be for 2,600 cards. UTA can exercise the option to purchase up to 100 additional cards if needed.

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**ATTACHMENTS:**

Contract: UTA Employee Holiday Gift Card 2021 (Harmon City, Inc.)



# INVITATION FOR BID

## Cover Sheet

General Information										
Project Name	Holiday Gift Cards									
Project Description	Purchase Holiday Gift Cards for Employees									
Project Start Date/Length	October 30, 2021 – December 30, 2021									
Contract Type	Firm fixed price									
UTA Project Manager	Troy Hamilton									
Funding Source	<input checked="" type="checkbox"/> Local	<input type="checkbox"/> State								
		<input type="checkbox"/> Federal								
Procurement Process Information										
IFB No.	21-03499									
Contract Administrator	Jolene Higgins 669 West 200 South Salt Lake City, Utah 84101 (801) 236-4754 @rideuta.com									
This procurement will be an Invitation for Bid (IFB).	Award will be made to the low Responsive and Responsible bidder.									
FIB Schedule: <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">A) Issue Invitation to Bid</td> <td style="text-align: right;">September 8, 2021</td> </tr> <tr> <td>B) Deadline to submit Questions and Request for Approved Equals or Changes to UTA</td> <td style="text-align: right;">September 14, 2021, 2:00 pm</td> </tr> <tr> <td>C) Last day for UTA to issue addenda and clarifications</td> <td style="text-align: right;">September 17, 2021</td> </tr> <tr> <td>D) <b>Deadline to submit bids</b></td> <td style="text-align: right;"><b>September 22, 2021, 2:00 pm</b></td> </tr> </table>			A) Issue Invitation to Bid	September 8, 2021	B) Deadline to submit Questions and Request for Approved Equals or Changes to UTA	September 14, 2021, 2:00 pm	C) Last day for UTA to issue addenda and clarifications	September 17, 2021	D) <b>Deadline to submit bids</b>	<b>September 22, 2021, 2:00 pm</b>
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C) Last day for UTA to issue addenda and clarifications	September 17, 2021									
D) <b>Deadline to submit bids</b>	<b>September 22, 2021, 2:00 pm</b>									
Included as part of this IFB										
Part 1 – Project Specific Information										
Part 2 – Procurement Process Information										
Part 3 – Standard Solicitation Terms										
Part 4 – Standard Contract Terms / Sample Contract										
Part 5 – Forms										
Bid Contents										
Submittal Instructions <ul style="list-style-type: none"> <li>One (1) electronic copy of the bid sheet in excel format, and all required forms (signed) shall be emailed to <a href="mailto:jhiggins@rideuta.com">jhiggins@rideuta.com</a> on or before the deadline referenced above. See Part 3 of this IFB for further instructions.</li> </ul>										

**Required Forms**

To be considered responsive, Bids must include those additional forms, declarations, and certifications listed below:

- Signed Bid Forms and Declarations



# INVITATION FOR BIDS

## Part 1 – Project information

### **GENERAL OVERVIEW:**

Utah Transit Authority (UTA) is seeking bids from retailers to provide **2,600** Holiday grocery gift cards to their employees with a value of **\$125/each**, with an option to purchase up to 100 extra cards. The retailer that provides the greatest discounted rate and meets the minimum qualification listed below will be awarded the bid.

UTA will purchase and pick up the cards as soon as available after award and Offer and Acceptance is signed by all Parties involved

### **MINIMUM QUALIFICATIONS:**

Retailer must have grocery store locations within the Weber, Davis, Salt Lake, and Utah county limits. Retailer must be considered a general grocer that sells all types of groceries. Specialized grocers that only sell certain types of groceries (all natural, organic, etc...) will not be considered. UTA reserves the right to determine what is considered a specialized grocer.



## INVITATION FOR BIDS

### Part 2 – Procurement Process Information

This procurement will be an invitation for Bids (IFB). Award will be made to the low responsive and Responsible bidder. Low bid shall be determined by the bid price.



# INVITATION FOR BIDS

## Part 3 – Standard Terms of Solicitation

### 1.1 INSTRUCTIONS TO BIDDERS

#### 1.1.1 Submission of Bids.

Bids must be emailed to Jolene Higgins at [jhiggins@rideuta.com](mailto:jhiggins@rideuta.com) by the “Deadline to Submit Bids” date and time listed on the Cover Sheet (as amended from time-to-time in accordance with this IFB). Bids received after the deadline will be considered non-responsive. It is the responsibility of the Bidder to ensure that its Bid are submitted by the deadline.

#### 1.1.2 Minimum Standards.

This IFB sets forth the minimum requirements that all Bids must meet. Failure to submit Bids in accordance with this IFB will render the Bid non-responsive. UTA may waive immaterial errors in a Bid at its discretion and as permitted by applicable law.

#### 1.1.3 Confidential, Protected, and Public Information

In accordance with Utah Code Section 63G-2-305(6) of the Government Records Access and Management Act (GRAMA) and UTA's Procurement Standard Operating Procedures (SOPs), Bids submitted by Bidders in response to this IFB and any accompanying documentation will not be made public until the public bid opening.

If the Bid includes information that the Bidder believes to constitute trade secret or non-public commercial or financial information protectable pursuant to UCA §§63G-6a-305(1) and 63G-6a-305(2) (collectively “Business Confidential Information”), then the Bidder Proposer must follow the procedure set forth in UCA §63G-6a-309.

**Additionally, for ease of Bid evaluation, UTA requests that each Bidder also follow the steps identified below:**

- a) Clearly mark all Business Confidential Information as such in its Bid at the time the Bid is submitted and include a cover sheet stating “DOCUMENT CONTAINS BUSINESS CONFIDENTIAL INFORMATION” and identifying each section and page which has been so marked;
- b) Include a statement with its Bid justifying the Bidder’s determination that certain records are Business Confidential Information for each record so defined;

- c) In addition to the Bid emailed to Jolene Higgins, email a second copy of the Bid (as an attachment) that has all the Business Confidential Information deleted, and label such copy of the Bid "Public Copy." If a Bidder emails a Bid containing no Business Confidential Information, no "Public Copy" need be submitted. However, any Bidder that submits a Bid containing no Business Confidential Information must so certify in a cover letter to its Bid; and
- d) Defend any action seeking release of the records it believes to be Business Confidential Information and indemnify, defend, and hold harmless UTA and the State of Utah and its agents and employees from any judgments awarded against UTA and its agents and employees in favor of the party requesting the records, including any and all costs connected with that defense. This indemnification survives UTA's cancellation or termination of this procurement or award and subsequent execution of the Contract. In submitting a Bid, the Proposer agrees that this indemnification survives as long as the Business Confidential Information is in possession of UTA.

All records pertaining to this procurement will become public information after award of the Contract, unless such records are identified as, and lawfully constitute, Business Confidential Information as specified above. No liability will attach to UTA for the errant release of Business Confidential Information by UTA under any circumstances.

#### **1.1.4 Submitting Questions to UTA**

Questions must be submitted to [jhiggins@rideuta.com](mailto:jhiggins@rideuta.com) before the end of the Question and Answer period. UTA's answers to timely questions will be shared with other potential bidders.

#### **1.1.5 Requests for Approved Equals or Changes**

Whenever a brand, manufacturer, or product name is indicated in this IFB, they are included only for the purpose of establishing identification and a general description of the item. Wherever such names appear, the term "or approved equal" is considered to follow.

Requests for Approved Equals, Changes, or other exceptions to the IFB (collectively, "Requests") must be submitted to [jhiggins@rideua.com](mailto:jhiggins@rideua.com) before the end of the Question and Answer period.

Any request for an approved equal or request for change of the IFB must be fully supported with technical data, test results, or other pertinent information as evidence that the substitute offered is equal or better than the IFB requirement. UTA retains the discretion to withhold approval for one of more requested equals if the magnitude of requested approvals exceeds UTA's available resources to allow for adequate evaluation in support of a timely procurement.

UTA's responses to timely Requests will be shared with all bidders.

It should be understood that specifying a brand name, components, and/or equipment in this IFB will not relieve the Bidder from its responsibility to provide the product in accordance with the performance warranty and contractual requirements. The Bidder shall notify UTA of any inappropriate brand name, component, and/or equipment that may be called for in this IFB and shall propose a suitable substitute for consideration.

### **1.1.6 Addenda to the Invitation for Bids**

UTA reserves the right to make changes to the IFB, by issuing a written addendum.

### **1.1.7 Multiple or Alternative Bids**

Submission of multiple or alternative Bids, except as specifically called for in the IFB, may render all such Bids non-responsive and may cause the rejection of some or all of such Bids.

### **1.1.8 Withdrawal of Bids**

A Bidder may withdraw its Bid before the Bid due date without prejudice to itself.

### **1.1.9 Cost of Bids**

UTA is not liable for any costs incurred by Bidders in the preparation of Bids submitted in response to this IFB.

### **1.1.10 Examination of Invitation for Bids**

The submission of a Bid constitutes an acknowledgment upon which UTA may rely that the Bidder: (i) has thoroughly examined and is familiar with the IFB, including the contractual terms in Part 4, (ii) is familiar with any work site identified in the IFB, and (iii) has reviewed and inspected all applicable statutes, regulations, ordinances, and resolutions addressing or relating to the goods and services to be provided hereunder. The failure or neglect of a Bidder to receive or examine such documents, work sites, statutes, regulations, ordinances, or resolutions will in no way relieve the Bidder from any obligations with respect to the Bidder's Bid or to any contract awarded pursuant to this IFB. No reduction or modification in the Bidder's obligations will be allowed based upon a lack of knowledge or misunderstanding of this IFB, work sites, statutes, regulations, ordinances, or resolutions.

### **1.1.11 Firm Offer**

Unless otherwise stated in this IFB, submission of a Bid constitutes an offer to provide the goods or services described in the IFB, for the price set forth in the Bid. Such offer must be good and firm for a period of ninety (90) days after the Deadline to Submit Bids.

### **1.1.12 Disclosure of Organizational Conflict of Interest**

An organizational conflict of interest means that because of other activities, relationships, or contracts, the Bidder is unable, or potentially unable, to render impartial assistance or advice to UTA; a Bidder's objectivity in performing the work identified in this IFB is or might be otherwise impaired; or a Bidder has an unfair competitive advantage. If a Bidder believes that it has, or may have, a real or perceived organizational conflict of interest, it must disclose such real or perceived organizational conflict of interest in its Bid, and describe the measures taken by the Bidder to mitigate such conflict. UTA will review such information and, in its sole discretion, determine whether a real or perceived organizational conflict of interest exists, and whether such conflict warrants disqualification of the Bidder, or may be mitigated by taking further measures.

### **1.1.13 No Collusion**

By submitting a Bid, the Bidder represents and warrants that its Bid is genuine and not a sham, and that the Bidder has not colluded with any other parties regarding this procurement process. If UTA learns that the Bid is not genuine, or that the Bidder did collude with other parties, or engaged in any anti-competitive or fraudulent practices in connection with this procurement process, UTA may immediately terminate any resulting contract and seek any remedies available in equity or at law.

## **1.2 SELECTION PROCESS**

### **1.2.1 Public Opening**

This is an IFB and, as such, the Bids submitted in response to this IFB will be subject to a public opening.

### **1.2.2 UTA's Procurement Options**

Based on submitted information, UTA may do or take any of the following actions, without limitation:

- Award the contract to the lowest responsive and responsible Bidder who meets the criteria set forth in this IFB.
- Cancel the invitation for bids without awarding a contract.

### **1.2.3 Responsiveness**

Bids that are conditional, that attempt to modify the IFB requirements, that contain additional terms or conditions, or that fail to conform to the requirements or specifications of the IFB may be considered non-responsive.

### **1.2.4 Responsibility**

UTA will not select a Bidder who is deemed by UTA, in its sole discretion, to lack the ability or responsibility to perform successfully under the terms of the contract. Such determination of responsibility may encompass management, technical, legal, and financial matters.

### **1.2.5 Checking References.**

The Utah Transit Authority reserves the right to contact any reference specifically named by the Bidder in its Bid or any other additional references as deemed appropriate by UTA, including references suggested by the Bidder's named references or references known to UTA through its own knowledge of the transportation industry.

### **1.2.6 Requests for Clarification**

The Bidder shall provide accurate and complete information to UTA. If information is incomplete, appears to include a clerical error, or is otherwise unclear, UTA may either (i) declare the Bid non-responsive, (ii) evaluate the Bid as submitted, or (iii) issue a Request for Clarifications to the Bidder stating the information needed and a date and time by which the information must be provided. If the Bidder does

not respond to the Request for Clarifications in a timely manner, or if the Bidder's response is deemed to be insufficient by UTA, in its sole discretion, then UTA may declare the Bid non-responsive.

All requests for Clarification will be in writing via E-mail, responses submitted as per the instructions contained in the request for Clarification. Responses must be limited to answering the specific information requested by UTA.

### **1.3 PROTESTS**

Protests are governed by the Utah Procurement Code, Utah Code Ann. § 63G-6a-101 *et seq.* To be valid, a protest must be in writing and be filed with UTA within the time frames set forth in Utah Code Ann. § 63G-6a-1602. A protest will be deemed to be filed pursuant to these procedures when actually received by the designated recipient by hand delivery, by recognized overnight courier service or by certified or registered mail, addressed as follows:

Utah Transit Authority  
669 West 200 South  
Salt Lake City, Utah 84101  
Attn: Procurement Officer  
CONTAINS TIME-SENSITIVE PROTEST MATERIALS

All protests must include:

- The name and address, and email address of the protester;
- The appropriate contact person for the protester, to whom all protest correspondence shall be addressed;
- The solicitation or project number; and
- A detailed statement as to the nature of the protest including, without limitation: (i) the alleged facts and evidence giving rise to the protestor to claim that it has been aggrieved; (ii) the protestor's standing to protest; and (iii) the legal grounds upon which the protest is based.

The Procurement Officer shall make a written determination regarding the protest. An unfavorable determination of the UTA Procurement Officer is subject to an administrative reconsideration by a panel determined by the Chair of the UTA Board of Trustees. A notice of appeal must be delivered within five (5) calendar days of the date of the Procurement Officer's decision. A notice of appeal addressed as follows:

Chair, UTA Board of Trustees  
c/o Utah Transit Authority  
669 West 200 South  
Salt Lake City, Utah 84101  
Attn: Board Coordinator  
CONTAINS TIME-SENSITIVE PROTEST MATERIALS

Any further appeal may only be made pursuant to Utah Code Ann. § 63G-6a-1801 *et seq.* A protesting entity must exhaust administrative appeals prior to filing a judicial appeal pursuant to Utah Code Ann. § 63G-6a-1801 *et seq.*



## INVITATION FOR BIDS

### Part 4 – Contract Terms

“Vendor” as used in these UTA Standard Terms and Conditions means the party contracting with Utah Transit Authority (“UTA”) to provide Goods and/or Services to UTA. Vendor is identified as “Vendor” on the applicable UTA Purchase Order (“PO”). The PO, these UTA Standard Terms and Conditions and any other terms, conditions, standards, drawings, schedules or other documents identified in the PO form the “Contract” related to the applicable PO. The terms “Goods” and “Services” are intended to have their broadest meanings. “Goods” includes any equipment, parts, materials, supplies, project deliverables, and work product supplied by Vendor in accordance with the PO. “Services” includes labor, professional services, and any manual, technical and other human resources provided in the fulfillment of the PO, including those specified in the PO and any additional Services incidental to the furnishing of Goods.

- 1. JURISDICTION, CHOICE OF LAW, AND VENUE:** Utah law governs this transaction. The parties shall submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of the PO and Contract. Venue is in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
- 2. LAWS AND REGULATIONS:** Vendor and any and all Goods and/or Services furnished under the Contract will comply fully with all applicable Federal and State laws and regulations, including those related to safety and environmental protection. Vendor shall also comply with all applicable licensure and certification requirements.
- 3. RECORDS ADMINISTRATION:** Vendor shall maintain all records necessary to properly account for the payments made to Vendor for costs authorized by the Contract. Vendor shall retain those records for at least six years after the Contract is fully performed or terminated, or until all audits initiated within the six-year period have been completed (whichever is later). Vendor shall allow UTA, State, and Federal auditors, and UTA agency staff, access to all the records relating to the Contract, for audit, inspection, and monitoring of Goods and/or Services. Such access must be during normal business hours, or by appointment.
- 4. CONFLICT OF INTEREST:** Vendor represents that it has not offered or given any gift or compensation prohibited by the laws of the State of Utah to any officer or employee of UTA to secure favorable treatment with respect to being awarded the Contract.
- 5. INDEPENDENT CONTRACTOR:** Vendor is an independent contractor. As such, Vendor has no authorization, express or implied, to bind UTA to any agreements, settlements, liability or understanding whatsoever. Vendor shall not perform any acts as agent for UTA, except as expressly set forth in the Contract. Compensation stated in the Contract is the total amount payable to Vendor by UTA. Vendor is responsible for the payment of all income tax and social security tax due as a result of payments received from UTA for the Goods and/or Services. Persons employed by UTA and acting under the direction of UTA will not be deemed to be employees or agents of Vendor.

6. **STANDARD OF CARE.** Vendor shall perform any Services to be provided under the Contract in a good and workmanlike manner, using at least that standard of care, skill and judgment which can reasonably be expected from similarly situated independent contractors (including, as applicable, professional standards of care).
7. **SALES TAX EXEMPTION:** Purchases of certain materials are exempt from Utah sales tax. UTA will provide a sales tax exemption certificate to Contractor upon request. UTA will not pay Contractor for sales taxes for exempt purchases, and such taxes should not be included in Contractor's Application for Payment.
8. **DELIVERY:** Unless otherwise specified in the Contract, all Goods will be delivered FOB to the destination designated by UTA in the PO. Vendor shall be responsible for delivery costs and all risk of loss shall remain with Vendor until such time as the Goods are received by UTA, its agent or consignee, regardless of whether UTA has made full payment for the Goods. Vendor shall deliver all Goods to UTA and perform all Services no later than the date(s) indicated in the PO. If Vendor fails to make delivery of any part of the Goods or fails to perform any portion of the Services on the date(s) indicated, UTA may terminate and pursue other remedies.
9. **INSPECTIONS:** Goods furnished under the Contract will be subject to inspection and testing by UTA at times and places determined by UTA. If UTA finds Goods furnished to be incomplete or not in compliance with applicable specifications and standards, UTA may reject the Goods and require Vendor to either correct them without charge or deliver them at a reduced price which is equitable under the circumstances. If Vendor is unable or refuses to correct such Goods within a time deemed reasonable by UTA, then UTA may cancel the order in whole or in part. Nothing in this paragraph will adversely affect UTA's rights including the rights and remedies associated with revocation of acceptance under the Uniform Commercial Code.
10. **INVOICING AND PAYMENT:** Vendor will promptly submit invoices (within 30 days of delivery of the applicable Goods and/or Services) to UTA. The UTA purchase order number shall be listed on all invoices, freight tickets, and correspondence relating to the Contract. The prices paid by UTA will be those prices listed in the PO. UTA may adjust or return any invoice reflecting incorrect pricing. Unless otherwise specified, payment terms are Net 30 days following receipt of invoice.
11. **WARRANTY:** Vendor warrants all Goods (including hardware, firmware, and/or software products that it licenses) provided to UTA under the Contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in the Contract.

Vendor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to the Contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to the Contract unless otherwise specified and mutually agreed upon elsewhere in the Contract. In general, Vendor warrants that: (1) the Good will do what the salesperson said it would do, (2) the Good will live up to all specific claims that the manufacturer makes in their advertisements, (3) the Goods will be suitable for the ordinary purposes for which such items are used, (4) the Goods will be suitable for any special purposes that UTA has relied on Vendor's skill or judgment to consider when it advised UTA about the Good, (5) the Goods have been properly designed and manufactured, and (6) the Goods are free of significant defects or unusual problems about which UTA has not been warned. Nothing in this warranty will be construed to limit any rights or remedies UTA may otherwise have under the Contract.

- 12. INDEMNIFICATION:** Vendor shall release, protect, defend, indemnify and hold UTA and its trustees, officers, and employees, harmless from and against any damage, cost or liability, including reasonable attorney's fees for any or all injuries to persons, property or claims for money damages arising from the willful misconduct or the negligent acts or omissions of Vendor, its subcontractors and suppliers, and their respective employees and agents, except to the extent caused by the negligent acts or omissions of UTA.
- 13. INSURANCE:** Vendor shall maintain worker's compensation insurance in accordance with applicable laws and shall also maintain general liability insurance with policy limits no less than two million per occurrence and four million in the aggregate. Vendor shall include UTA as an additional insured with respect to such insurance. Upon request, Vendor shall provide proof of insurance to UTA. The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. UTA is no way warrants that the minimum limits contained herein are sufficient to protect the Vendor from liabilities that might arise out of the performance of the work under this contract by the Vendor, his agents, representatives, employees, or subcontractors and Vendor is free to purchase additional insurance as may be determined necessary.

**14. Claims and Dispute Resolution**

**14.1 Claims.**

"Claim" means any disputes between UTA and the Contractor arising out of or relating to the Contract Documents including any disputed claims for Contract adjustments that cannot be resolved in accordance with the Change Order negotiation process set forth in Article 8. Claims must be made by written notice. The responsibility to substantiate claims rests with the party making the claim. Unless otherwise directed by UTA in writing, Contractor shall proceed diligently with performance of the Work pending final resolution of a Claim, including litigation. UTA shall continue to pay any undisputed payments related to such Claim.

**14.2 Dispute Resolution.**

The parties shall attempt to informally resolve all claims, counterclaims and other disputes. No party may bring a legal action to enforce any term of this Contract without first having exhausted such process. If the dispute cannot be resolved informally, either party may request mediation under the auspices of the Juris Arbitration and Mediation Services (JAMS). A JAMS mediator shall be mutually agreed to among the Parties. The Mediation shall be non-binding. The Mediator shall determine the logistics, format and other aspects of the actual mediation. If mediation is not successful in resolving the dispute, either Party may commence legal action in accordance with the venue and law provisions of this Contract.

- 15. DEFAULT:** If Vendor: (a) becomes insolvent; (b) files a petition under any chapter of the bankruptcy laws or is the subject of an involuntary petition; (c) makes a general assignment for the benefit of its creditors; (d) has a receiver appointed; (e) should fail to make prompt payment to any subcontractors or suppliers; or (f) fails to comply with any of its material obligations under the Contract, UTA may, at its option either cure the default at Vendor's expense or terminate the Contract after first giving Vendor five (5) days written notice to cure such default. Immediately after such termination, UTA may: (i) take possession of the Goods wherever they may be located and in whatever state of completion they may be together with all drawings and other information necessary to enable UTA to have the Items completed, installed, operated, maintained and/or repaired; (ii) pay to Vendor any amount then due

under the Contract after taking full credit for any offsets to which UTA may be entitled; (iii) contract with or employ any other party or parties to finish the Items; and (iv) collect from Vendor any additional expense, losses or damage which UTA may suffer.

16. **Costs and Attorney's Fees:** If any party to this Agreement brings an action to enforce or defend its rights or obligations hereunder, the prevailing party shall be entitled to recover its costs and expenses, including mediation, arbitration, litigation, court costs and attorneys' fees, if any, incurred in connection with such suit, including on appeal.
17. **Governing Law.** The Agreement and all Contract Documents are governed by the laws of the State of Utah, without giving effect to its conflict of law principles. Actions to enforce the terms of this Agreement may only be brought in the Third District Court for Salt Lake County, Utah.
18. **PATENTS, COPYRIGHTS, ETC:** Vendor will defend, indemnify and hold UTA, its officers, agents and employees harmless from liability of any kind or nature, arising from Vendor's use of any copyrighted or un-copyrighted composition, trade secret, patented or un-patented invention, article or appliance furnished or used in the performance of the Contract.
19. **ENVIRONMENTAL RESPONSIBILITY:** UTA is ISO 14001 Environmental Management System (EMS) certified. Vendor acknowledges that its Goods and/or Services might affect UTA's ability to maintain the obligation of the EMS. A partial list of activities, products or Services deemed as have a potential EMS effect is available at the UTA website [www.rideuta.com](http://www.rideuta.com). Upon request by UTA, Vendor shall complete and return a *Contractor Activity Checklist*. If UTA determines that the Goods and/or Services under the Contract has the potential to impact the environment, UTA may require Vendor to submit additional environmental documents. Vendor shall provide one set of the appropriate safety data sheet(s) (SDS) and container label(s) upon delivery of a hazardous material to UTA.
20. **PUBLIC INFORMATION:** Vendor acknowledges that the Contract and related materials (invoices, orders, etc.) will be public documents under the Utah Government Records Access and Management Act (GRAMA). Vendor's response to the solicitation for the Contract will also be a public document subject to GRAMA, except for legitimate trade secrets, so long as such trade secrets were properly designated in accordance with terms of the solicitation.
21. **SEVERABILITY:** If any provision of the Contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and the rights and obligations of the parties will be construed and enforced as if the Contract did not contain the particular provision held to be invalid.
22. **WRITTEN AMENDMENTS:** The Contract may be amended, modified, or supplemented only by written amendment to the Contract, executed by authorized persons of the parties hereto.
23. **ASSIGNMENT:** Vendor shall not assign, sell, or transfer any interest in the Contract without the express written consent of UTA.
24. **FORCE MAJEURE:** Neither party to the Contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which are beyond that party's reasonable control. UTA may terminate the Contract after determining such delay or default will reasonably prevent successful performance of the Contract.
25. **WAIVER:** Any waiver by a party of any breach of any kind or character whatsoever by the other party, whether such be direct or implied, will not be a continuing waiver of or consent to any subsequent breach of the Contract.

**26. ENTIRE AGREEMENT:** The Contract constitutes the entire agreement between the parties with respect to the subject matter, and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written. The terms of the Contract supersede any additional or conflicting terms or provisions that may be preprinted on Vendor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of Vendor that may subsequently be used to implement, record, or invoice Goods and/or Services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of UTA. The terms of the Contract prevail in any dispute between the terms of the Contract and the terms printed on any such standard forms or documents, and such standard forms or documents will not be considered written amendments of the Contract.

**27. INCORPORATED DOCUMENTS AND ORDER OF PRECEDENCE**

UTA's IFB 20-03499 including all federal clauses and other attachments, and Consultant's Bid, are hereby incorporated into and made a part of this Contract, except to the extent that such documents were changed or altered by subsequent negotiations as indicated by the terms of this Contract, including Exhibits A and B. However the order of precedence shall be as follows:

1<sup>st</sup>: Contract including all attachments (Offer and Acceptance)

2<sup>nd</sup>: UTA Terms and Conditions

3<sup>rd</sup>: Invitation For Bid

4<sup>th</sup>: Contractor Bid including contractor terms and conditions



## INVITATION FOR BIDS

### Part 5 – Declarations, Offer, and Conflict of Interest Form

#### A. BID DECLARATIONS

This Bid is submitted upon the following declarations:

1. Neither I nor, to the best of my knowledge, none of the members of my firm, corporation, or JV have either directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive proposing in connection with this Bid.
2. Neither I nor, to the best of my knowledge, none of the members of my firm, corporation, or JV have given, offered, or promised to give any compensation, gratuity, contribution, loan or reward to any person administering, conducting, or making decisions regarding this procurement process.
3. I certify that the named Proposer has registered and is participating in the Status Verification System in accordance with Utah Code Ann. § 63G-12-302 (*see* Part 3 (B) for more information).
4. I acknowledge receipt of the following addenda to this IFB:

Addendum No. \_\_\_ Date \_\_\_\_\_  
Addendum No. \_\_\_ Date \_\_\_\_\_  
Addendum No. \_\_\_ Date \_\_\_\_\_  
Addendum No. \_\_\_ Date \_\_\_\_\_

#### B. No Collusion

By submitting a Bid, the Proposer represents and warrants that its Bid is genuine and not a sham, and that the Proposer has not colluded with any other parties regarding this procurement process. If UTA learns that the Bid is not genuine, or that the Proposer did collude with other parties, or engaged in any anti-competitive or fraudulent practices in connection with this procurement process, UTA may immediately terminate any resulting contract and seek any remedies available in equity or at law

#### C. E-VERIFY

Each Proposer and each person signing on behalf of any Proposer certifies as to its own entity, under penalty of perjury, that the named Proposer has registered and is participating in the Status Verification System to verify the work eligibility status of the contractor’s new employees that are employed in the State of Utah in accordance with applicable immigration laws including UCA Section 63G-12-302.

Signing the Bid is deemed the Proposer’s certification of compliance with all provisions of this employment status verification certification required by all applicable status verification laws including Utah Code Ann. § 63G-12-302.

The successful Proposer shall require that the following provision be placed in each subcontract at every tier: “The subcontractor shall certify to the main (prime or general) contractor by affidavit that the

subcontractor has verified through the Status Verification System the employment status of each new employee of the respective subcontractor, all in accordance with applicable immigration laws including Section 63G-12-302 and to comply with all applicable employee status verification laws. Such affidavit must be provided prior to the notice to proceed for the subcontractor to perform the work.”

UTA will not consider a Bid for award, nor will it make any award where there has not been compliance with this Section. Furthermore, non-compliance with this section is a material breach of the Contract.

**D. SUBCONTRACTOR CAPABILITY**

The undersigned bidder/proposer certifies that it and each of its subcontractors possess an adequate supply of workers qualified to perform the work specified herein; that there is no existing or impending dispute between it and any labor organization; and that it is prepared to comply fully with prevailing wage requirements, minimum wages, maximum hours of work, and equal opportunity provisions contained in the general conditions of the contract.

**E. UTAH ANTIDISCRIMINATION ACT:**

Offeror hereby declares that it is and will remain fully compliant with the provisions of the Utah Anti-discrimination Act (UTAH CODE §§ 34A-5-101 TO 34A-5-108) and the equivalent anti-discrimination laws of its State of incorporation and/or headquarters location. Under the Act, an employer may not refuse to hire, promote, discharge, demote, or terminate a person, or to retaliate against, harass, or discriminate in matters of compensation or in terms, privileges, and conditions of employment against a person otherwise qualified, because of: race, color, sex, pregnancy, childbirth, or pregnancy-related conditions; age, if the individual is 40 years of age or older; religion; national origin; disability; sexual orientation; or gender identity.

In addition to avoiding discriminatory employment practices as described above, Offeror also declares that all goods and services it provides to UTA are useable and accessible by individuals with disabilities as described in Title II of the American with Disabilities Act and also Section III (H) of UTA Policy 6.1.1 which states that programs, services, and facilities procured by UTA will be accessible to and useable by individuals with disabilities. Offeror further certifies that any digital software, tool, program or web application must meet the most recent version of the Web Content Accessibility Guidelines (WCAG) found at <https://www.w3.org/TR/WCAG21>. To the extent Offeror is providing transportation services, vehicles or facilities it also declares that it is in compliance with Department of Transportation (DOT) ADA standards found at 49 CFR Parts 27, 37, 38, and 39.

**F. UTAH ANTI-BOYCOTT ISRAEL ACT:**

Offeror certifies that it is not currently engaged in a boycott of the State of Israel; and agrees not to engage in a boycott of the State of Israel for the duration of this contract.

**G. DISCLOSURE OF ORGANIZATION CONFLICT OF INTEREST**

Proposers must provide a narrative describing any Organizational Conflicts of Interest, either real or perceived. See Part 3 of the IFB for more information. Proposers must describe in detail how it has managed such organizational conflicts of interest to ensure that the Proposer has not gained an unfair competitive advantage.

Use the space below, and additional sheets if necessary.

Failure to acknowledge receipt of all addenda may cause the Bid to be rejected as non-responsive.

Further, this Bid is submitted upon the declaration that I have reviewed the terms and conditions of the IFB, including the Standard Contract Terms, and accept all the terms and conditions stated therein

The undersigned is authorized to make the foregoing declarations, acknowledgements, and certifications set forth above.

\_\_\_\_\_  
(Contractor's Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**H. CONTRACTOR'S OFFER**

By signing below, the Contractor makes a firm offer to deliver all supplies and/or perform all services or construction as set forth in the IFB (including any amendments), for the price set forth on Contractor's Bid Sheet Form. Signature must be by an officer of your company authorized to bind your company in contractual matters.

\_\_\_\_\_  
(Contractor's Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Contractor's Address)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Contractor's Phone Number)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Contractor's Email Address)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Contractor's EIN)

**B. UTA’S ACCEPTANCE**

By signing below, UTA accepts Contractor’s offer. This acceptance creates a binding Contract, which consists of the IFB, including any amendments, and Contractor’s Bid. No additional contractual documents are necessary. In the event of a conflict between the IFB and Contractor’s Bid, the terms of the IFB shall govern. The effective date of the Contract is the date of the last signature on this page.

\_\_\_\_\_  
UTA Representative / Title

\_\_\_\_\_  
UTA Representative / Title

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Approved as to Form and Content  
Assistant Attorney General  
UTA Counsel

Bidders Name: \_\_\_\_\_

**Price Form**

	Quantity	Value of Gift Card (each)	Cost Prior to Discount	Discount (%)	Value of Discount	Total Cost
	2,600	\$125.00	\$362,500.00			
*Option 1	100	\$125.00	\$12,500			

Payment Type Accepted:       ACH       Credit Card       Check


\*If UTA decides to exercise option. UTA will issue a modification or decide to purchase at time of award.

Use the space below, and additional sheets if necessary.

Failure to acknowledge receipt of all addenda may cause the Bid to be rejected as non-responsive.

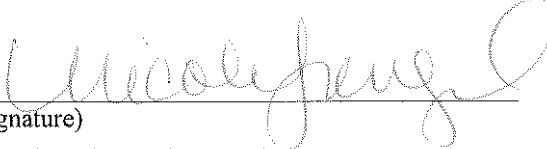
Further, this Bid is submitted upon the declaration that I have reviewed the terms and conditions of the IFB, including the Standard Contract Terms, and accept all the terms and conditions stated therein

The undersigned is authorized to make the foregoing declarations, acknowledgements, and certifications set forth above.

<u>Harmon City, Inc.</u> (Contractor's Name)	 (Signature) <u>Nicole Lengel</u> (Print Name)
---	---

**H. CONTRACTOR'S OFFER**

By signing below, the Contractor makes a firm offer to deliver all supplies and/or perform all services or construction as set forth in the IFB (including any amendments), for the price set forth on Contractor's Bid Sheet Form. Signature must be by an officer of your company authorized to bind your company in contractual matters.

<u>Harmon City Inc.</u> (Contractor's Name)	 (Signature)
<u>3540 South 4000 West #500</u> (Contractor's Address)	<u>Nicole Lengel</u> (Print Name)
<u>801-969-8261</u> (Contractor's Phone Number)	<u>CFO</u> (Title)
<u>terry.mcdonald@harmonsgrocery.com</u> (Contractor's Email Address)	<u>9-10-2021</u> (Date)
<u>87-0230875</u> (Contractor's EIN)	

**B. UTA'S ACCEPTANCE**

By signing below, UTA accepts Contractor's offer. This acceptance creates a binding Contract, which consists of the IFB, including any amendments, and Contractor's Bid. No additional contractual documents are necessary. In the event of a conflict between the IFB and Contractor's Bid, the terms of the IFB shall govern. The effective date of the Contract is the date of the last signature on this page.

\_\_\_\_\_  
UTA Representative / Title

\_\_\_\_\_  
UTA Representative / Title

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

DocuSigned by: 9/29/2021  
*Michael Bell*  
Approved as to Form and Content  
361F16F838704A9  
Assistant Attorney General  
UTA Counsel

**Price Form**

	Quantity	Value of Gift Card (each)	Cost Prior to Discount	Discount (%)	Value of Discount	Total Cost
	2,600	\$125.00	\$325,000.00	13%	\$42,250	\$282,750
*Option 1	100	\$125.00	\$12,500	13%	\$1,625	\$10,875



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date: 10/27/2021**

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Executive Director  
**FROM:** David Hancock, Acting Chief Service Development Officer  
**PRESENTER(S):** David Hancock, Acting Chief Service Development Officer  
Andrea Pullos, Project Manager

**TITLE:**

---

**Contract: Tooele Bus Facility Renovation (Paulsen Construction)**  
**And**  
**2021 Technical Budget Adjustment- Capital**

**AGENDA ITEM TYPE:**

Procurement Contract/Change Order

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**RECOMMENDATION:**

Approve award and authorize Executive Director to execute the contract and associated distributions with Paulsen Construction in the amount of \$1,095,924.53 AND approve a technical budget adjustment moving \$400,000 from Capital Contingency to the Tooele Bus Facility Renovation Project.

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**BACKGROUND:**

This request is to execute a construction contract related to the renovation of the Tooele Bus Facility. The construction contract includes the addition of siding to the outside of the building, new UTA signage, a new entrance vestibule, widening of garage bay doors, replacing the original windows, upgrading both the interior and exterior lighting, repairing the roof, and paving the parking lot.

UTA has advertised and selected a Contractor through a competitive Best Value selection process for this project (Contract #21-03460VW). Paulsen Construction was selected based on highest score and therefore is the most advantageous bidder to UTA. UTA would like to enter into a Contract with Paulsen Construction to construct this project. The price of \$1,095,924.53 is deemed fair and reasonable based on the competitive nature of the procurement and an ICE performed by UTA.

The Utah Department of Transportation (UDOT) administers rural area Federal Transit Administration grant funds for the rural portions of the state through an annual competitive application process. Funds for capital acquisition use are made available as an 80/20 federal/local match. In April 2017, UDOT awarded UTA rural

transit funds in the amount of \$1,406,000 (FFY2020 FTA Section 5339) for the Project. A portion of the grant funds were used to purchase the facility.

A technical budget adjustment moving \$400,000 from the Capital Contingency to this project is necessary to fully fund this project through completion. If approved, the Tooele project budget will be \$1,367,751 and the Capital Contingency budget will be \$911,873.

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**DISCUSSION:**

UTA staff is requesting approval to execute a contract with Paulsen Construction for the Tooele Bus Facility Renovation project.

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**CONTRACT SUMMARY:**

<b>Contractor Name:</b>	Paulsen Construction
<b>Contract Number:</b>	21-03460VW
<b>Base Contract Effective Dates:</b>	November 1, 2021
<b>Extended Contract Dates:</b>	February 28, 2023
<b>Existing Contract Value:</b>	n/a
<b>Amendment Amount:</b>	n/a
<b>New/Total Amount Contract Value:</b>	\$1,095,924.53
<b>Procurement Method:</b>	Competitive Best Value
<b>Funding Sources:</b>	UTA and FTA

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**ALTERNATIVES:**

None

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**FISCAL IMPACT:**

The majority of the budget is included in the current 5-year Capital Plan, 2021-2025. Additional funding from the Capital Contingency project in the amount of \$400,000 will be moved to the Tooele Bus Facility project through a technical budget adjustment. The technical budget adjustment is being requested concurrent with this board action. See Exhibit A (attached).

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**ATTACHMENTS:**

- Contract-Tooele Bus Facility Renovation (Paulsen Construction) and Technical Budget Adjustment Exhibit A -Technical Budget Adjustment Worksheet
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## CONSTRUCTION SERVICES AGREEMENT

Contract 21-03460VW

Tooele Bus Facility Construction Services

This Construction Services Agreement is entered into and made effective as of the date of last signature below (the “Effective Date”) by and between UTAH TRANSIT AUTHORITY, a public transit district organized under the laws of the State of Utah (“UTA”), and PAULSEN CONSTRUCTION LLC (“Contractor”).

### RECITALS

- A. UTA desires to hire Contractor for Tooele Bus Facility Construction Services per the Specifications and Bid Schedule included in the RFP.
- B. On July 28, 2021, UTA issued Request for Proposal Package Number 21-03460VW (“RFP”) encouraging interested parties to submit proposals to perform the services described in the RFP.
- C. Upon evaluation of the proposals submitted in response to the RFP, UTA selected Contractor as the preferred entity with whom to negotiate a contract to perform the Work.
- D. Contractor is qualified and willing to perform the Work as set forth in the Scope of Services.

### AGREEMENT

NOW, THEREFORE, in accordance with the foregoing Recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants and agreements hereafter set forth, the mutual benefits to the parties to be derived herefrom, and for other valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is hereby agreed as follows:

#### **1. SERVICES TO BE PROVIDED**

- a. Contractor shall perform all Work as set forth in the Scope of Services (Exhibit A). Except for items (if any) which this Contract specifically states will be UTA-provided, Contractor shall furnish all the labor, material and incidentals necessary for the Work.
- b. Contractor shall perform all Work under this Contract in a professional manner, using at least that standard of care, skill and judgment which can reasonably be expected from similarly situated professionals.
- c. All Work shall conform to generally accepted standards in the transit industry. Contractor shall perform all Work in compliance with applicable laws, regulations, rules, ordinances, permit constraints and other legal requirements including, without limitation, those related to safety

and environmental protection.

- d. Contractor shall furnish only qualified personnel and materials necessary for the performance of the Work.
- e. When performing Work on UTA property, Contractor shall comply with all UTA work site rules including, without limitation, those related to safety and environmental protection.

**2. MANAGEMENT OF WORK**

- a. Contractor's Project Manager will be the day-to-day contact person for Contractor and will be responsible for all Work, as well as the coordination of such Work with UTA.
- b. UTA's Project Manager will be the day-to-day contact person for UTA, and shall act as the liaison between UTA and Contractor with respect to the Work. UTA's Project Manager shall also coordinate any design reviews, approvals or other direction required from UTA with respect to the Work.

**3. PROGRESS OF WORK**

- a. Contractor shall prosecute the Work in a diligent and continuous manner and in accordance with all applicable notice to proceed, critical path schedule and guaranteed completion date requirements set forth in (or developed and agreed by the parties in accordance with) the Scope of Services.
- b. Contractor shall conduct regular meetings to update UTA's Project Manager regarding the progress of the Work including, but not limited to, any unusual conditions or critical path schedule items that could affect or delay the Work. Such meetings shall be held at intervals mutually agreed to between the parties.
- c. Contractor shall deliver monthly progress reports and provide all Contract submittals and other deliverables as specified in the Scope of Services.
- d. Any drawing or other submittal reviews to be performed by UTA in accordance with the Scope of Services are for the sole benefit of UTA, and shall not relieve Contractor of its responsibility to comply with the Contract requirements.
- e. UTA will have the right to inspect, monitor and review any Work performed by Contractor hereunder as deemed necessary by UTA to verify that such Work conforms to the Contract requirements. Any such inspection, monitoring and review performed by UTA is for the sole benefit of UTA, and shall not relieve Contractor of its responsibility to comply with the Contract requirements.
- f. UTA shall have the right to reject Work which fails to conform to the requirements of this Contract. Upon receipt of notice of rejection from UTA, Contractor shall (at its sole expense and without entitlement to equitable schedule relief) promptly re-perform, replace or re-execute the Work so as to conform to the Contract requirements.
- g. If Contractor fails to promptly remedy rejected Work as provided in Section 3.6, UTA may (without limiting or waiving any rights or remedies it may have) perform necessary corrective action using other contractors or UTA's own forces. Any costs reasonably incurred by UTA in such corrective action shall be chargeable to Contractor.

**4. PERIOD OF PERFORMANCE**

This Contract shall commence as of the Effective Date. This Contract shall remain in full force and effect

until all Work is completed in accordance with this Contract, as reasonably determined by UTA. Contractor shall complete all Work no later than February 28, 2023. This guaranteed completion date may be extended if Contractor and UTA mutually agree to an extension evidenced by a written Change Order. The rights and obligations of UTA and Contractor under this Contract shall at all times be subject to and conditioned upon the provisions of this Contract.

## **5. COMPENSATION**

- a. For the performance of the Work, UTA shall pay Contractor in accordance with the payment's provisions described in Exhibit B. Payments shall be made in accordance with the milestones or other payment provisions detailed in Exhibit B. If Exhibit B does not specify any milestones or other payment provisions, then payment shall be made upon completion of all Work and final acceptance thereof by UTA.
- b. To the extent that Exhibit B or another provision of this Contract calls for any portion of the consideration to be paid on a cost-reimbursement basis, such costs shall only be reimbursable to the extent allowed under 2 CFR Part 200 Subpart E. Compliance with federal cost principles shall apply regardless of funding source for this Contract.
- c. To the extent that Exhibit B or another provision of this Contract calls for any portion of the consideration to be paid on a time and materials or labor hour basis, then Contractor must refer to the not-to-exceed amount, maximum Contract amount, Contract budget amount or similar designation (any of these generically referred to as the "Not to Exceed Amount") specified in Exhibit B (as applicable). Unless and until UTA has notified Contractor by written instrument designated or indicated to be a Change Order that the Not to Exceed Amount has been increased (which notice shall specify a revised Not to Exceed Amount): (i) Contractor shall not be obligated to perform services or incur costs which would cause its total compensation under this Contract to exceed the Not to Exceed Amount; and (ii) UTA shall not be obligated to make payments which would cause the total compensation paid to Contractor to exceed the Not to Exceed Amount.
- d. UTA may withhold and/or offset from payment any amounts reasonably reflecting: (i) items of Work that have been rejected by UTA in accordance with this Contract; (ii) invoiced items that are not payable under this Contract; or (iii) amounts Contractor owes to UTA under this Contract.

## **6. INCORPORATED DOCUMENTS**

- a. The following documents hereinafter listed in chronological order, with most recent document taking precedence over any conflicting provisions contained in prior documents (where applicable), are hereby incorporated into the Contract by reference and made a part hereof:
  1. The terms and conditions of this Construction Services Agreement
  2. The Addendum 1 Supplemental Terms and Conditions for Construction Services. (including any exhibits and attachments hereto).
  3. Contractor's Proposal including, without limitation, all federal certifications (as applicable);
  4. UTA's RFP including, without limitation, all attached or incorporated terms, conditions, federal clauses (as applicable), drawings, plans, specifications and

standards and other descriptions of the Construction Services;

b. The above-referenced documents are made as fully a part of the Contract as if hereto

**7. ORDER OF PRECEDENCE**

The Order of Precedence for this contract is as follows:

1. UTA Contract including all terms and conditions and attachments
2. Addendum 1 Supplemental Terms and Conditions for Construction Services
3. UTA Solicitation Terms
4. Contractor's Bid or Proposal including proposed terms or conditions

Any contractor proposed term or condition which is in conflict with a UTA contract or solicitation term or condition will be deemed null and void.

**8. INVOICING PROCEDURES**

- a. Contractor shall submit invoices to UTA's Project Manager for processing and payment in accordance with Exhibit B. If Exhibit B does not specify invoice instructions, then Contractor shall invoice UTA after completion of all Work and final acceptance thereof by UTA. Invoices shall be provided in the form specified by UTA. Reasonable supporting documentation demonstrating Contractor's entitlement to the requested payment must be submitted with each invoice.
- b. UTA shall have the right to disapprove (and withhold from payment) specific line items of each invoice to address non-conforming Work or invoicing deficiencies. Approval by UTA shall not be unreasonably withheld. UTA shall have the right to offset from payment amounts reasonably reflecting the value of any claim which UTA has against Contractor under this Contract. Payment for all invoice amounts not specifically disapproved by UTA shall be provided to Contractor within thirty (30) calendar days of invoice submittal.

**9. OWNERSHIP OF DESIGNS, DRAWINGS, AND WORK PRODUCT**

Any deliverables prepared or developed pursuant to the Contract including without limitation drawings, specifications, manuals, calculations, maps, sketches, designs, tracings, notes, reports, data, computer programs, models and samples, shall become the property of UTA when prepared, and, together with any documents or information furnished to Contractor and its employees or agents by UTA hereunder, shall be delivered to UTA upon request, and, in any event, upon termination or final acceptance of the Goods and Services. UTA shall have full rights and privileges to use and reproduce said items. To the extent that any deliverables include or incorporate preexisting intellectual property of Contractor, Contractor hereby grants UTA a fully paid, perpetual license to use such intellectual property for UTA's operation, maintenance, modification, improvement and replacement of UTA's assets. The scope of the license shall be to the fullest extent necessary to accomplish those purposes, including the right to share same with UTA's contractors, agent, officers, directors, employees, joint owners, affiliates and Contractors.

**10. USE OF SUBCONTRACTORS**

- a. Contractor shall give advance written notification to UTA of any proposed subcontract (not

indicated in Contractor's Proposal) negotiated with respect to the Work. UTA shall have the right to approve all subcontractors, such approval not to be withheld unreasonably.

- b. No subsequent change, removal or substitution shall be made with respect to any such subcontractor without the prior written approval of UTA.
- c. Contractor shall be solely responsible for making payments to subcontractors, and such payments shall be made within thirty (30) days after Contractor receives corresponding payments from UTA.
- d. Contractor shall be responsible for and direct all Work performed by subcontractors.
- e. Contractor agrees that no subcontracts shall provide for payment on a cost-plus-percentage-of-cost basis. Contractor further agrees that all subcontracts shall comply with all applicable laws.

#### **11. KEY PERSONNEL**

Contractor shall provide the key personnel as indicated in Contractor's Proposal (or other applicable provisions of this Contract), and shall not change any of said key personnel without the express written consent of UTA.

#### **12. INFORMATION, RECORDS and REPORTS; AUDIT RIGHTS**

Contractor shall retain all books, papers, documents, accounting records and other evidence to support any cost-based billings allowable under Exhibit B (or any other provision of this Contract). Such records shall include, without limitation, time sheets and other cost documentation related to the performance of labor services, as well as subcontracts, purchase orders, other contract documents, invoices, receipts or other documentation supporting non-labor costs. Contractor shall also retain other books and records related to the performance, quality or management of this Contract and/or Contractor's compliance with this Contract. Records shall be retained by Contractor for a period of at least six (6) years after completion of the Work, or until any audit initiated within that six-year period has been completed (whichever is later). During this six-year period, such records shall be made available at all reasonable times for audit and inspection by UTA and other authorized auditing parties including, but not limited to, the Federal Transit Administration. Copies of requested records shall be furnished to UTA or designated audit parties upon request. Contractor agrees that it shall flow-down (as a matter of written contract) these records requirements to all subcontractors utilized in the performance of the Work at any tier.

#### **13. FINDINGS CONFIDENTIAL**

Any documents, reports, information, or other data and materials available to or prepared or assembled by Contractor or subcontractors under this Contract are considered confidential and shall not be made available to any person, organization, or entity by Contractor without consent in writing from UTA.

It is hereby agreed that the following information is not considered to be confidential:

- a. Information already in the public domain;
- b. Information disclosed to Contractor by a third party who is not under a confidentiality obligation;
- c. Information developed by or in the custody of Contractor before entering into this Contract;
- d. Information developed by Contractor through its work with other clients; and

- e. Information required to be disclosed by law or regulation including, but not limited to, subpoena, court order or administrative order.

**14. PUBLIC INFORMATION.**

Contractor acknowledges that the Contract and related materials (invoices, orders, etc.) will be public documents under the Utah Government Records Access and Management Act (GRAMA). Contractor's response to the solicitation for the Contract will also be a public document subject to GRAMA, except for legitimate trade secrets, so long as such trade secrets were properly designated in accordance with terms of the solicitation.

**15. GENERAL INDEMNIFICATION**

Contractor shall indemnify, hold harmless and defend UTA, its officers, trustees, agents, and employees (hereinafter collectively referred to as "Indemnitees") from and against all liabilities, claims, actions, damages, losses, and expenses including without limitation reasonable attorneys' fees and costs (hereinafter referred to collectively as "claims") related to bodily injury, including death, or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of the failure of such Contractor to conform to federal, state, and local laws and regulations. If an employee of Contractor, a subcontractor, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable brings a claim against UTA or another Indemnitee, Contractor's indemnity obligation set forth above will not be limited by any limitation on the amount of damages, compensation or benefits payable under any employee benefit acts, including workers' compensation or disability acts. The indemnity obligations of Contractor shall not apply to the extent that claims arise out of the sole negligence of UTA or the Indemnitees.

**16. INSURANCE REQUIREMENTS**

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The Utah Transit Authority in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, his agents, representatives, employees or subcontractors and Contractor is free to purchase additional insurance as may be determined necessary.

- A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those Stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

- |   |             |
|---|-------------|
| • General Aggregate                         | \$4,000,000 |
| • Products – Completed Operations Aggregate | \$1,000,000 |
| • Personal and Advertising Injury           | \$1,000,000 |

- Each Occurrence \$2,000,000

a. The policy shall be endorsed to include the following additional insured language: "The Utah Transit Authority shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL)  
\$2,000,000

a. The policy shall be endorsed to include the following additional insured language: "The Utah Transit Authority shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor, including automobiles owned, leased, hired or borrowed by the Contractor".

3. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$100,000
Disease – Each Employee	\$100,000
Disease – Policy Limit	\$500,000

- a. Policy shall contain a waiver of subrogation against the Utah Transit Authority.
- b. This requirement shall not apply when a contractor or subcontractor is exempt under UCA 34A-2-103, AND when such contractor or subcontractor executes the appropriate waiver form.

4. Professional Liability (Errors and Omissions Liability)

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this Contract is completed.

5. Railroad Protective Liability Insurance (RRPLI)

During construction and maintenance within fifty (50) feet of an active railroad track,

including but not limited to installation, repair or removal of facilities, equipment, services or materials, the Licensee and/or Licensee's Contractor must maintain "Railroad Protective Liability" insurance on behalf of UTA only as named insured, with a limit of not less than \$2,000,000 per occurrence and an aggregate of \$6,000,000.

If the Licensee and/or Licensee's Contractor is not enrolling for this coverage under UTA's blanket RRPLI program, the policy provided must have the definition of "JOB LOCATION" AND "WORK" on the declaration page of the policy shall refer to this Agreement and shall describe all WORK or OPERATIONS performed under this Agreement.

- B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
1. On insurance policies where the Utah Transit Authority is named as an additional insured, the Utah Transit Authority shall be an additional insured to the full limits of liability purchased by the Consultant. Insurance limits indicated in this agreement are minimum limits. Larger limits may be indicated after the consultant's assessment of the exposure for this contract; for their own protection and the protection of UTA.
  2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided or canceled except after thirty (30) days prior written notice has been given to the Utah Transit Authority, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to (Utah Transit Authority Agency Representative's Name & Address).
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or authorized to do business in the State and with an "A.M. Best" rating of not less than A-VII. The Utah Transit Authority in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the Utah Transit Authority with certificates of insurance (on standard ACORD form) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be sent to [insurancecerts@rideuta.com](mailto:insurancecerts@rideuta.com) and received and approved by the Utah Transit Authority before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

All certificates required by this Contract shall be emailed directly to Utah Transit Authority's insurance email address at [insurancecerts@rideuta.com](mailto:insurancecerts@rideuta.com). The Utah Transit Authority project/contract number and project description shall be noted on the certificate of insurance. The Utah Transit Authority reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE UTAH TRANSIT AUTHORITY'S CLAIMS AND INSURANCE DEPARTMENT.**

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insureds under its policies or subcontractors shall maintain separate insurance as determined by the Contractor, however, subcontractor's limits of liability shall not be less than \$1,000,000 per occurrence / \$2,000,000 aggregate. Sub-contractors maintaining separate insurance shall name Utah Transit Authority as an additional insured on their policy. Blanket additional insured endorsements are not acceptable from subcontractors. Utah Transit Authority must be scheduled as an additional insured on any subcontractor policies.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by Claims and Insurance Department or the UTA Legal Services, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

## **17. OTHER INDEMNITIES**

- a. Consultant shall protect, release, defend, indemnify and hold harmless UTA and the other Indemnitees against and from any and all Claims of any kind or nature whatsoever on account of infringement relating to Consultant's performance under this Contract. If notified promptly in writing and given authority, information and assistance, Consultant shall defend, or may settle at its expense, any suit or proceeding against UTA so far as based on a claimed infringement and Consultant shall pay all damages and costs awarded therein against UTA due to such breach. In case any portion of the Work is in such suit held to constitute such an infringement or an injunction is filed that interferes with UTA's rights under this Contract, Consultant shall, at its expense and through mutual agreement between the UTA and Consultant, either procure for UTA any necessary intellectual property rights, or modify Consultant's services or deliverables such that the claimed infringement is eliminated.
- b. Consultant shall: (i) protect, release, defend, indemnify and hold harmless UTA and the other Indemnitees against and from any and all liens or Claims made or filed against UTA or upon the Work or the property on which the Work is located on account of any labor performed or labor, services, and equipment furnished by subcontractors of any tier; and (ii) keep the Work and said property free and clear of all liens or claims arising from the performance of any Work covered by this Contract by Consultant or its subcontractors of any tier. If any lien arising out of this Contract is filed, before or after Work is completed, Consultant, within ten (10) calendar days after receiving from UTA written notice of such lien, shall obtain a release of or otherwise satisfy such lien. If Consultant fails to do so, UTA may take such steps and make such expenditures as in its discretion it deems advisable to obtain a release of or otherwise satisfy any such lien or liens, and Consultant shall upon demand reimburse UTA for all costs incurred and

expenditures made by UTA in obtaining such release or satisfaction. If any non-payment claim is made directly against UTA arising out of non-payment to any subcontractor, Consultant shall assume the defense of such claim within ten (10) calendar days after receiving from UTA written notice of such claim. If Consultant fails to do so, Consultant shall upon demand reimburse UTA for all costs incurred and expenditures made by UTA to satisfy such claim.

**18. INDEPENDENT CONTRACTOR**

Contractor is an independent contractor and agrees that its personnel will not represent themselves as, nor claim to be, an officer or employee of UTA by reason of this Contract. Contractor is responsible to provide and pay the cost of all its employees' benefits.

**19. PROHIBITED INTEREST**

No member, officer, agent, or employee of UTA during his or her tenure or for one year thereafter shall have any interest, direct or indirect, including prospective employment by Contractor in this Contract or the proceeds thereof without specific written authorization by UTA.

**20. CLAIMS/DISPUTE RESOLUTION**

- a. "Claim" means any disputes between UTA and the Contractor arising out of or relating to the Contract Documents including any disputed claims for Contract adjustments that cannot be resolved in accordance with the Change Order negotiation process set forth in Article 6. Claims must be made by written notice. The responsibility to substantiate claims rests with the party making the claim.
- b. Unless otherwise directed by UTA in writing, Contractor shall proceed diligently with performance of the Work pending final resolution of a Claim, including litigation. UTA shall continue to pay any undisputed payments related to such Claim.
- c. The parties shall attempt to informally resolve all claims, counterclaims and other disputes through the escalation process described below. No party may bring a legal action to enforce any term of this Contract without first having exhausted such process.
- d. The time schedule for escalation of disputes, including disputed requests for change order, shall be as follows:

<b>Level of Authority</b>	<b>Time Limit</b>
UTA's Project Manager/Contractor's Project Manager	Five calendar days
UTA's Director/Contractor Equivalent	Five calendar days
UTA's Chief Officer/Contractor Equivalent	Five calendar days

Unless otherwise directed by UTA's Project Manager, Contractor shall diligently continue performance under this Contract while matters in dispute are being resolved.

If the dispute cannot be resolved informally in accordance with the escalation procedures set forth above, than either party may commence formal mediation under the Juris Arbitration and

Mediation (JAMS) process using a mutually agreed upon JAMS mediator. If resolution does not occur through Mediation, then legal action may be commenced in accordance the venue and governing law provisions of this contract.

**21. GOVERNING LAW**

This Contract shall be interpreted in accordance with the substantive and procedural laws of the State of Utah. Any litigation between the parties arising out of or relating to this Contract will be conducted exclusively in federal or state courts in the State of Utah and Contractor consents to the jurisdiction of such courts.

**22. ASSIGNMENT OF CONTRACT**

Contractor shall not assign, sublet, sell, transfer, or otherwise dispose of any interest in this Contract without prior written approval of UTA, and any attempted transfer in violation of this restriction shall be void.

**23. NONWAIVER**

No failure or waiver or successive failures or waivers on the part of either party in the enforcement of any condition, covenant, or article of this Contract shall operate as a discharge of any such condition, covenant, or article nor render the same invalid, nor impair the right of either party to enforce the same in the event of any subsequent breaches by the other party.

**24. NOTICES OR DEMANDS**

Any formal notice or demand to be given by one party to the other shall be given in writing by one of the following methods: (i) hand delivered; (ii) deposited in the mail, properly stamped with the required postage; (iii) sent via registered or certified mail; or (iv) sent via recognized overnight courier service. All such notices shall be addressed as follows:

If to UTA:  
Utah Transit Authority  
ATTN: Vicki Woodward  
669 West 200 South  
Salt Lake City, UT 84101

with a required copy to:  
Utah Transit Authority  
ATTN: Legal Counsel  
669 West 200 South  
Salt Lake City, UT 84101

If to Contractor:  
Paulsen Construction LLC  
ATTN: Harold Saunders, Director of Business Development  
3075 South Specialty Circle  
South Salt Lake, UT 84115

- a. Any such notice shall be deemed to have been given, and shall be effective, on delivery to the notice address then applicable for the party to which the notice is directed; provided, however, that refusal to accept delivery of a notice or the inability to deliver a notice because of an address change which was not properly communicated shall not defeat or delay the giving of a notice. Either party may change the address at which such party desires to receive written notice by

providing written notice of such change to any other party.

- b. Notwithstanding Section 23.1, the parties may, through mutual agreement, develop alternative communication protocols to address change notices, requests for information and similar categories of communications. Communications provided pursuant to such agreed means shall be recognized as valid notices under this Contract.

**25. CONTRACT ADMINISTRATOR**

UTA's Contract Administrator for this Contract is Vicki Woodward, or designee. All questions and correspondence relating to the contractual aspects of this Contract should be directed to said Contract Administrator, or designee.

**27. INSURANCE COVERAGE REQUIREMENTS FOR CONTRACTOR EMPLOYEES**

- a. The following requirements apply to the extent that: (i) the initial value of this Contract is equal to or in excess of \$2 million; (ii) this Contract, with subsequent modifications, is reasonably anticipated to equal or exceed \$2 million; (iii) Contractor has a subcontract at any tier that involves a sub-Contractor that has an initial subcontract equal to or in excess of \$1 million; or (iv) any subcontract, with subsequent modifications, is reasonably anticipated to equal or exceed \$1 million:
- b. Contractor shall, prior to the effective date of this Contract, demonstrate to UTA that Contractor has and will maintain an offer of qualified health insurance coverage (as defined by Utah Code Ann. § 17B-2a-818.5) for the Contractor's employees and the employee's dependents during the duration of this Contract.
- c. Contractor shall also demonstrate to UTA that subcontractors meeting the above-described subcontract value threshold have and will maintain an offer of qualified health insurance coverage (as defined by Utah Code Ann. § 17B-2a-818.5) for the subcontractor's employees and the employee's dependents during the duration of the subcontract.

**28. COSTS AND ATTORNEYS FEES**

If any party to this Agreement brings an action to enforce or defend its rights or obligations hereunder, the prevailing party shall be entitled to recover its costs and expenses, including mediation, arbitration, litigation, court costs and attorneys' fees, if any, incurred in connection with such suit, including on appeal

**29. NO THIRD-PARTY BENEFICIARY**

The parties enter into this Contract for the sole benefit of the parties, in exclusion of any third party, and no third-party beneficiary is intended or created by the execution of this Contract.

**30. FORCE MAJEURE**

Neither party to the Contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which are beyond that party's reasonable control. UTA may terminate the Contract after determining such delay or default will reasonably prevent successful performance of the Contract.

**31. SEVERABILITY**

Any provision of this Contract prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Contract.

**32. UTAH ANTI-BOYCOTT OF ISRAEL ACT**

Contractor agrees it will not engage in a boycott of the State of Israel for the duration of this contract.

**33. ENTIRE AGREEMENT**

This Contract shall constitute the entire agreement and understanding of the parties with respect to the subject matter hereof, and shall supersede all offers, negotiations and other agreements with respect thereto. The terms of the Contract supersede any additional or conflicting terms or provisions that may be preprinted on Vendor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of Vendor that may subsequently be used to implement, record, or invoice Goods and/or Services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of UTA. The terms of the Contract prevail in any dispute between the terms of the Contract and the terms printed on any such standard forms or documents, and such standard forms or documents will not be considered written amendments of the Contract.

**34. AMENDMENTS**

Any amendment to this Contract must be in writing and executed by the authorized representatives of each party.

**35. COUNTERPARTS**

This Contract may be executed in any number of counterparts and by each of the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Any signature page of the Contract may be detached from any counterpart and reattached to any other counterpart hereof. The electronic transmission of a signed original of the Contract or any counterpart hereof and the electronic retransmission of any signed copy hereof shall be the same as delivery of an original.

**36. SURVIVAL**

Provisions of this Contract intended by their nature and content to survive termination of this Contract shall so survive including, but not limited to, Articles 5, 7, 8, 10, 14, 15, 17, 18, 19, 20, 23, 29 and 30.

**UTAH TRANSIT AUTHORITY:**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
David Hancock  
Acting Chief Service Development Officer

**PAULSEN CONSTRUCTION LLC**

By:  Date: 10/5/2021  
John Paulsen  
President  
Fed ID# 20-8067235

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Mary DeLoretto  
Interim Executive Director

Approved as to Content and Form

By:  Date 10/6/2021  
Mike Bell, AAG State of Utah  
And UTA Legal Counsel

By:  Date 10/5/2021  
Reviewed & Recommended  
Andrea Pullos, UTA Project Manager

UTA Project Code 21-03460VW

**Addendum 1- Supplemental Terms and Conditions for Tooele Bus Facility Construction Services**

**ARTICLE 1**

- 1.1 **Cooperation.** UTA and Contractor commit at all times to cooperate fully with each other, and proceed on the basis of trust and good faith, so as to permit each party to realize the benefits afforded under the Contract Documents.
- 1.2 **Professional Standards.** Contractor shall perform the Work in a good and workmanlike manner, and shall use reasonable skill, care, and diligence. If the Work includes professional services,

Contractor shall perform those services in a professional manner, using at least that standard of care, skill and judgment that can reasonably be expected from similarly situated professionals.

- 1.3 **Definitions.** Terms that are defined in the Agreement have the same definition in all the Contract Documents, including in these General Conditions. Unless expressly modified by the Agreement, the following definitions shall also apply to all Contract Documents:

**“Agreement”** means the document signed by Contractor and UTA to which these General Conditions are attached as an exhibit or into which these General Conditions are incorporated by reference.

**“Application for Payment”** shall mean an invoice for a progress or final payment made in accordance with the requirements of Article 4.

**“Basis of Design Documents”** means those preliminary drawings, concept design drawings, technical requirements, performance requirements, project criteria, or other documents that are (i) included in the Contract Documents, and (ii) serve as the basis or starting point for design services to be performed by Contractor, if any.

**“Claim”** has the meaning indicated in Section 8.1 of these General Conditions.

**“Construction Documents”** means the final drawings and specifications that set forth in detail the requirements for construction of the Project.

**“Contract Documents”** means those documents designated as Contract Documents in the Agreement.

**“Contract Times”** means the guaranteed dates for Substantial Completion, Final Completion (if applicable), and any other deadlines for completion of the Work, or a part thereof, all as set forth in the Agreement.

**“Contractor”** means the entity that has entered into a contract with UTA to perform construction and other services as detailed in the Contract Documents. The Contractor may be a Design-Builder, general contractor, Construction Manager/General Contractor, or other type of entity.

**“Day”** means a calendar day unless otherwise specifically noted in the Contract Documents.

**“Differing Site Condition”** has the meaning indicated in Section 3.2 of these General Conditions.

**“Final Completion”** has the meaning indicated in Section 4.7 of these General Conditions.

**“Force Majeure Event”** means a delay caused by any national or general strikes, fires, riots, acts of God, acts of the public enemy, floods, acts of terrorism, unavoidable transportation accidents or embargoes, or other events: (i) which are not reasonably foreseeable as of the

date the Agreement was executed; (ii) which are attributable to a cause beyond the control and without the fault or negligence of the party incurring such delay; and (iii) the effects of which cannot be avoided or mitigated by the party claiming such Force Majeure Event through the use of commercially reasonable efforts. The term Force Majeure Event does not include a delay caused by seasonal weather conditions, inadequate construction forces, general economic conditions, changes in the costs of goods, or Contractor's failure to place orders for equipment, materials, construction equipment or other items sufficiently in advance to ensure that the Work is completed in accordance with the Contract Documents.

**"General Conditions"** means this document.

**"Legal Requirements"** means all applicable federal, state, and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work including, without limitation, those related to safety and environmental protection. The terms Legal Requirements shall also include any requirements or conditions included in a permit required for, or issued in conjunction with, the Project.

**"Potential Change Notice"** has the meaning indicated in Section 7.3 of these General Conditions.

**"Project"** means the construction project described in the Agreement.

**"Punchlist"** means shall mean a schedule of Work items (developed in accordance with the procedures described in Article 4) which remain to be completed prior to Final Completion, but which do not adversely affect the performance, operability, capacity, efficiency, reliability, cost effectiveness, safety or use of the Project after Substantial Completion.

**"Schedule of Values"** means the detailed statement furnished by Contractor and approved by UTA in accordance with Section 4.1, which statement outlines the various components of the Contract Price and allocates values for all such components in a manner that can be used for preparing and reviewing invoices.

**"Site"** means the land or premises on which the Project is located, as more particularly defined and described in the Contract Documents.

**"Subcontractor"** means any person or entity (including subcontractors at any tier, design engineers, laborers and materials suppliers) retained by Contractor or any other Subcontractor to perform a portion of Contractor's obligations under the Contract Documents.

**"Substantial Completion"** or **"Substantially Complete"** has the meaning indicated in Section 4.6 of these General Conditions.

**"Work"** means all obligations, duties, requirements, and responsibilities for the successful completion of the Project by Contractor, including furnishing of all services and/or equipment (including obtaining all applicable licenses and permits to be acquired by Contractor) in

accordance with the Contract Documents.

**ARTICLE 2**  
**Contractor's Services**

**2.1 General Services.**

- 2.1.1 Contractor's Project Manager shall be reasonably available to UTA and shall have the necessary expertise and experience required to supervise the Work. Contractor's Project Manager shall communicate regularly with UTA and shall be vested with the authority to act on behalf of Contractor.
- 2.1.2 Contractor shall provide UTA with a monthly status report detailing the progress of the Work, including: (i) whether the Work is proceeding according to schedule; (ii) whether discrepancies, conflicts, or ambiguities exist in the Contract Documents that require resolution; (iii) whether unusual health and safety issues exist in connection with the Work; and (iv) other items that require resolution so as not to jeopardize Contractor's ability to complete the Work for the Contract Price and within the Contract Time(s).
- 2.1.3 Unless a schedule for the execution of the Work has been attached to the Agreement as an exhibit at the time the Agreement is executed, Contractor shall prepare and submit, within seven (7) Days of the execution of the Agreement, a schedule for the execution of the Work for UTA's review and response. The schedule must indicate the dates for the start and completion of the various stages of Work, including the required dates when UTA obligations must be completed to enable Contractor to achieve the Contract Time(s). Such UTA obligation dates may include (where contemplated in the Contract Documents): (i) Site availability requirements; and/or (ii) dates when UTA information or approvals are required. The schedule shall be revised as required by conditions and progress of the Work, but such revisions shall not relieve Contractor of its obligations to complete the Work within the Contract Time(s), as such dates may be adjusted in accordance with the Contract Documents. UTA's review of, and response to, the schedule shall not be construed as relieving Contractor of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

**2.2 Design Services.** If the Work includes any design services, provisions 2.2.1 through 2.2.8 apply.

- 2.2.1 Contractor shall provide the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit Contractor to complete the Work consistent with the Contract Documents. Contractor shall ensure that design services are performed by qualified, licensed design professionals employed by Contractor, or by qualified, independent licensed design consultants procured by Contractor.
- 2.2.2 Contractor and UTA shall, consistent with any applicable provision of the Contract Documents, agree upon any interim design submissions that UTA may wish to review, which setting forth the Project requirements. Interim design submissions must be consistent with the Basis of Design Documents, as the Basis of Design Documents may have been changed through the design process set forth in this Section 2.2.2. On or about the time of the scheduled submissions, Contractor and UTA shall meet and confer about

the submissions, with Contractor identifying during such meetings, among other things, the evolution of the design and any changes to the Basis of Design Documents, or, if applicable, previously submitted design submissions. Changes to the Basis of Design Documents shall be processed in accordance with Article 7. Minutes of the meetings, including a full listing of all changes, will be maintained by Contractor and provided to all attendees for review. Following the design review meeting, UTA will be entitled to at least ten (10) Days to review and approve the interim design submissions and meeting minutes.

- 2.2.3 To the extent not prohibited by the Contract Documents or Legal Requirements, and with the approval of UTA, Contractor may prepare interim design submissions and portion of the Work prior to completion of the Construction Documents for the entire Work.
- 2.2.4 Contractor shall submit proposed Construction Documents to UTA, which must be consistent with the latest set of interim design submissions, as such submissions may have been modified in a design review meeting and recorded in the meeting minutes. The parties shall have a design review meeting to discuss, and UTA shall review and approve, the Construction Documents in accordance with the procedures set forth in Section 2.2.2 above. Contractor shall submit one set of approved Construction Documents to UTA prior to commencement of construction
- 2.2.5 UTA's review and approval of interim design submissions, meeting minutes, and Construction Documents is for the purpose of mutually establishing a conformed set of Contract Documents compatible with the requirements of the Work. Neither UTA's review nor approval of any interim design submissions, meeting minutes, and Construction Documents shall be deemed to: (i) relieve Contractor from its obligations to comply with the Contract Documents; (ii) relieve Contractor from its obligations with respect to the accuracy of the design submittals; or (iii) transfer any design liability from Contractor to UTA.
- 2.2.6 Upon completion of the Work, and as a condition to receiving final payment pursuant to Section 4.7, Contractor shall prepare and provide to UTA a final set of as-built drawings, depicting the Project as completed, including all changes to the Project made subsequent to the approval of the Construction Documents.
- 2.2.7 All drawings, specifications, interim design submissions, Construction Documents, and other documents furnished by Contractor to UTA pursuant to the Contract Documents (those documents, the "Work Product") are deemed to be instruments of service and Contractor shall retain the ownership and intellectual property rights therein.
- 2.2.8 Once UTA has made a corresponding payment for the Work required for Contractor to prepare any Work Product, Contractor will be deemed to have granted to UTA a license to use that Work Product in connection with the construction, occupancy, and maintenance of the Project, or any other UTA project or facility.

### **2.3 Government Approvals, Permits, and Legal Requirements.**

- 2.3.1 Except where the Contract Documents expressly state that UTA will be responsible for a specific entitlement, Contractor shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project or Site. Contractor shall provide reasonable assistance to UTA in obtaining any permits, approvals, and licenses that the Contract Documents expressly specify to be a UTA responsibility.
- 2.3.2 Contractor shall perform the Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.
- 2.3.2 Contractor shall file a notice of commencement, a notice of completion, and other notices required by Utah Code Title 38 (Liens). Contractor shall file such notices in the manner and within the time periods required by law.
- 2.3.3 The Contract Price and/or Contract Time(s) will be adjusted to compensate Contractor for the effects of any changes in the Legal Requirements provided that such changes: (i) materially increase Contractor's cost of, or time required for, the performance of the Work; and (ii) are enacted after the effective date of the Agreement.

#### 2.4 **Construction Services.**

- 2.4.1 Contractor shall proceed with construction in accordance with the approved Construction Documents.
- 2.4.2 Except to the extent that the Contract Documents expressly identify UTA obligations related to the Work, Contractor shall provide through itself or Subcontractors the necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities (whether or not expressly stated or depicted in the Contract Documents or Construction Drawings) to permit Contractor to complete construction of the Project consistent with the Contract Documents.
- 2.4.3 Contractor is responsible for securing the Site until UTA issues a Certificate of Substantial Completion.
- 2.4.4 Contractor shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. Contractor shall at all times exercise complete and exclusive control over the means, methods, sequences, techniques and procedures of construction.
- 2.4.5 Contractor shall be solely responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. Contractor shall take necessary precautions for the safety of, and shall provide necessary protection to prevent damage, injury or loss to the following: (i) all Contractor, Subcontractor, UTA employees, the public and other persons who may be affected thereby; (ii) all Work and all equipment and materials to be incorporated into the Work; and (iii) other property at the Site or adjacent thereto. Contractor shall comply with the minimum standards imposed by UTA's

Construction Safety and Security Program Manual, as updated from time to time (UTA's Construction Safety and Security Program Manual is incorporated into the Contract Documents by reference). However, Contractor shall be responsible for all additional as necessary to comply protect persons and property and comply with applicable Legal Requirements related to safety.

- 2.4.6 Contractor shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. UTA may require Contractor to remove from the Project a Subcontractor or anyone employed directly or indirectly by any Subcontractor, if UTA reasonably concludes that the Subcontractor is creating safety risks at the Site or quality risks to the Project.
- 2.4.7 Contractor is responsible for the proper performance of the Work by Subcontractors and for any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between UTA and any Subcontractor, including but not limited to any third-party beneficiary rights.
- 2.4.8 Contractor shall coordinate the activities of all of its Subcontractors. If UTA performs other work on the Project or at the Site with separate contractors under UTA's control, Contractor agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.
- 2.4.9 Contractor shall keep the Site reasonably free from debris, trash and construction wastes to permit Contractor to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or a portion of the Work, Contractor shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit UTA to occupy the Project or a portion of the Project for its intended use.

## 2.5 **Quality Control, Quality Assurance, Inspection, Rejection and Correction of Work.**

- 2.5.1 Contractor shall develop a Project-specific construction quality control plan as contemplated in UTA's Quality Management Plan and Construction Quality Plan. The Contractor's plan shall satisfy the minimum requirement imposed by UTA's Construction Quality Plan and shall be sufficient to ensure that Work is performed in compliance with the Contract Documents. If the Work includes any design services, Contractor shall also develop and thereafter comply with a design quality plan that meets the minimum requirements set forth in the UTA Design Quality Plan. The UTA Quality Management Plan, Construction Quality Plan and Design Quality Plan are incorporated into the Contract Documents by reference. The Contractor's plans shall be subject to UTA's review and approval.
- 2.5.2 Contractor shall comply with the approved quality control plan(s). Responsibilities shall include inspection and testing and related activities including administration, management, supervision, reports, record keeping and use of independent testing agencies and laboratories. Contractor shall provide evidence of compliance with the Contract

Documents.

- 2.5.3 UTA will have the right to audit and spot check the Contractor's quality control procedures and documentation. This will include the Company's right to inspect and test all Work at reasonable times. Contractor shall cooperate with any inspection and testing performed by UTA. All contractor-furnished materials and supplies shall be subject to inspection at the point of manufacture.
- 2.5.2 Any inspection and testing performed by UTA shall be for the sole and exclusive benefit of UTA. Neither inspection and testing of Work, nor the lack of same nor acceptance of the Work by UTA, nor payment therefore shall relieve Contractor from any of its obligations under the Contract Documents.
- 2.5.3 At any time prior to Substantial Completion, UTA may reject Work which fails to conform to the Contract Documents. Contractor shall, at its sole expense, promptly re-perform or correct any Work so as to conform to the requirements of the Contract. Contractor shall not be entitled to an adjustment to the Contract Price and/or Contract Times with respect to any corrective action necessary to rectify non-conforming Work.
- 2.5.4 If Contractor fails to promptly remedy rejected Work, UTA may, without limiting or waiving any other rights or remedies it may have, self-perform (through its own forces or through other contractors) the necessary corrective action(s) and deduct all amounts so incurred from any amount then or thereafter due Contractor.

**2.6 Contractor's Warranty.**

- 2.6.1 Contractor warrants to UTA that all Work, including all materials and equipment furnished as part of the Work, shall be: (i) of good quality conforming to generally recognized industry standards; (ii) in conformance with the Contract Documents; (iii) free of defects in materials and workmanship; and (iv) consistent with applicable Legal Requirements. Without limiting the generality of the forgoing, Contractor also specifically warrants that any design, engineering or other professional services provided by Contractor shall be shall satisfy applicable professional standards of care and that all materials and that any equipment furnished as part of the construction shall be new (unless otherwise specified in the Contract Documents). This provision is not intended to limit any manufacturer's warranty that provides UTA with greater warranty rights than set forth in this Section 2.6. Contractor shall provide UTA with all manufacturers' warranties upon Substantial Completion. Similarly, nothing in this Article is intended to limit any other express warranties set forth in the Contract Documents or to limit any other warranties implied by law, custom or usage of trade.
- 2.6.2 If Contractor becomes aware of any defect in the Work, or non-conformance with the Contract Documents, Contractor shall give prompt written notice of that defect or non-conformance to UTA.
- 2.6.3 Except as otherwise stated in the Agreement, Contractor shall correct any Work that does

not comply with the warranties provided above for a period of two years following the date of Substantial Completion.

- 2.6.4 Contractor shall, within seven (7) Days of receipt of written notice from UTA that the Work does not comply with the warranties provided above, take meaningful steps to commence corrective action, including the correction, removal, replacement or re-performance of the nonconforming Work and the repair of any damage to other property caused the warranty failure. If Contractor fails to commence the necessary corrective action within such seven (7) Day period (or thereafter fails to continuously and diligently pursue such corrective action to completion), UTA may (in addition to any other remedies provided under the Contract Documents) provide Contractor with written notice that UTA will self-perform (through its own forces or through other contractors) correction of the warranty failure at Contractor's expense. If UTA performs (or causes to be performed) such corrective action, UTA may collect from Contractor all amounts so incurred. If the nonconforming Work creates an emergency requiring an immediate response, the seven (7) Day period identified above shall be deemed inapplicable.
- 2.6.5 The two-year period referenced in Section 2.6.3 above only applies to Contractor's obligation to correct nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies UTA may have regarding Contractor's other obligations under the Contract Documents

### **ARTICLE 3** **Site Conditions**

#### **3.1 Hazardous Materials.**

- 3.1.1 Unless otherwise expressly provided in the Contract Documents to be part of the Contractor's Work, Contractor is not responsible for any Hazardous Materials encountered at the Site. "Hazardous Materials" means any substance that: (i) is deemed a hazardous waste or substance under any environmental law; or (ii) might endanger the health of people exposed to it.
- 3.1.2 If Contractor discovers at the Site any substance the Contractor reasonably believes to be a Hazardous Material, Contractor shall immediately stop Work in the area of the discovery and immediately report the discovery to the UTA Project Manager. UTA shall determine how to deal with the Hazardous Material, and Contractor shall resume Work in the area when directed to do so by the UTA Project Manager.
- 3.1.3 Contractor will be entitled to an adjustment to the Contract Price and/or Contract Time(s) to the extent Contractor's cost and/or time of performance have been adversely impacted by the presence of Hazardous Materials.
- 3.1.4 The risk allocation and change provisions of Sections 3.1.1 through 3.1.3 do not apply to any Hazardous Materials introduced to the Site by Contractor, its Subcontractors, or anyone for whose acts Contractor is responsible. Those provisions also exclude Hazardous

Materials that were properly stored and/or contained at the Site but thereafter released as a result of the Contractor's negligent performance of the Work. To the extent that Hazardous Materials are introduced and/or released at the Site by Contractor as described above in this Section 3.1.4, then: (i) to the fullest extent permitted by law, Contractor shall defend and indemnify UTA from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from such Hazardous Materials; and (ii) Contractor shall not be entitled to an extension of Contract Price and/or Contract Time(s).

### **3.2 Differing Site Conditions.**

3.2.1 If Contractor encounters a Differing Site Condition, Contractor will be entitled to an adjustment to the Contract Price and/or Contract Time(s) to the extent Contractor's cost and/or time of performance have been adversely impacted by the Differing Site Condition. "Differing Site Condition" means concealed or latent physical conditions at the Site that: (i) materially differ from the conditions indicated in the Contract Documents; and (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work.

3.2.2 Upon encountering a Differing Site Condition, Contractor shall provide prompt written notice to UTA of such condition, which notice shall not be later than five (5) Days after such condition has been encountered. Contractor shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered.

## **ARTICLE 4** **Payment**

### **4.1 Schedule of Values.**

4.1.1 Unless required by UTA upon execution of this Agreement, within ten (10) Days of execution of the Agreement, Contractor shall submit for UTA's review and approval a Schedule of Values for all of the Work. The Schedule of Values will: (i) subdivide the Work into its respective parts; (ii) include values for all items comprising the Work; and (iii) serve as the basis for monthly progress payments made to Contractor throughout the Work.

4.1.2 UTA will timely review and approve the Schedule of Values so as not to delay the submission of the Contractor's first application for payment. UTA and Contractor shall timely resolve any differences so as not to delay the Contractor's submission of its first application for payment.

## 4.2 **Application for Payment.**

- 4.2.1 To receive payment, Contractor shall submit to UTA an Application for Payment requesting payment for all Work performed as of the date of the Application for Payment. Contractor shall not submit Applications for Payment more often than once per month. The Application for Payment must be accompanied by supporting documentation sufficient to establish, to UTA's reasonable satisfaction, Contractor's entitlement to receive payment.
- 4.2.2 The Application for Payment may request payment for equipment and materials not yet incorporated into the Project, provided that: (i) UTA is satisfied that the equipment and materials are suitably stored at either the Site or another acceptable location; (ii) the equipment and materials are protected by suitable insurance; and (iii) upon payment, UTA will receive the equipment and materials free and clear of all liens and encumbrances.
- 4.2.3 The Application for Payment will constitute Contractor's representation that the Work described therein has been performed consistent with the Contract Documents, has progressed to the point indicated in the Application for Payment, and that title to all materials and equipment will pass to UTA free and clear of all claims, liens, encumbrances, and security interests upon the incorporation of the materials and equipment into the Project, or upon Contractor's receipt of payment, whichever occurs earlier.

## 4.3 **Sales Tax Exemption**

- 4.3.1 Purchases of certain materials are exempt from Utah sales tax. UTA will provide a sales tax exemption certificate to Contractor upon request. UTA will not pay Contractor for sales taxes for exempt purchases, and such taxes should not be included in Contractor's Application for Payment.

## 4.4 **UTA's Payment Obligations.**

- 4.4.1 UTA shall pay Contractor all amounts properly requested and documented within thirty (30) Days of receipt of an Application for Payment.
- 4.4.2 Notwithstanding Section 4.4.1, UTA may withhold up to 5% of each payment as retention in accordance with Utah Code Ann. § 13-8-5.
- 4.4.3 Notwithstanding Section 4.4.1, UTA may offset from such Application for Payment amounts any owed to UTA by Contractor pursuant to the Contract Documents.
- 4.4.4 If UTA determines that Contractor is not entitled to all or part of an Application for Payment as a result of Contractor's failure to meet its obligations under the Contract Documents, UTA will notify Contractor of the specific amounts UTA has withheld (or intends to withhold), the reasons and contractual basis for the withholding, and the specific actions Contractor must take to qualify for payment under the Contract Documents. If the Contractor disputes UTA's bases for withholding, Contractor may pursue its rights under

the Contract Documents, including those under Article 8.

#### **4.5 Contractor's Payment Obligations.**

- 4.5.1 Contractor shall pay Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Contractor has received from UTA on account of their work. Contractor shall indemnify and defend UTA against any claims for payment and mechanic's liens as set forth in Section 5.2 hereof.
- 4.5.2 If the Contract Documents include Federal Clauses, the terms of those Federal Clauses pertaining to payment of Subcontractors supersede any conflicting terms of this Article 4.

#### **4.6 Substantial Completion.**

- 4.6.1 Contractor shall notify UTA when it believes the entire Work is Substantially Complete. As used in the Contract Documents, "Substantially Complete" or "Substantial Completion" refers to the Contractor's satisfactory completion of all Work in accordance with the Contract Documents (excluding Punchlist items) to point such that UTA may safely start-up, occupy or otherwise fully use the Project for its intended purposes in compliance with applicable Legal Requirements. The terms "Substantially Complete" or "Substantial Completion" also require the completion of any items of Work specifically set forth as conditions precedent to Substantial Completion in the Agreement. Within five (5) Days of UTA's receipt of Contractor's notice, UTA and Contractor will jointly inspect such Work to verify that it is Substantially Complete in accordance with the requirements of the Contract Documents. If such Work is Substantially Complete, UTA shall prepare and issue a Certificate of Substantial Completion that will set forth: (i) the date of Substantial Completion of the Work or portion thereof; (ii) the remaining Punchlist items that have to be completed before Final Completion and final payment; and (iii) provisions (to the extent not already provided in the Contract Documents) establishing UTA's and Contractor's responsibility for the Project's security, maintenance, utilities and insurance pending Final Completion and final payment.
- 4.6.2 Promptly after issuing the Certificate of Substantial Completion, UTA shall release to Contractor all retained amounts, less an amount equal to two times the reasonable value of all remaining Punchlist items noted in the Certificate of Substantial Completion.
- 4.6.3 Upon Contractor's request or upon UTA's own initiative, UTA may, in its sole discretion, deem a discrete segment of the Project to be Substantially Complete. The provisions of Sections 4.6.1 and 4.6.2 will apply to that discrete segment of the Project. In addition, before UTA may take possession of a discrete segment of the Project, UTA and Contractor shall obtain the consent of their sureties, insurers, and any government authorities having jurisdiction over the Project.
- 4.6.4 Following Substantial Completion, UTA may restrict Contractor's access to the Site. UTA shall allow Contractor reasonable access to the Site in order for the Contractor to achieve Final Completion.

#### 4.7 **Final Payment.**

4.7.1 When Contractor has achieved Final Completion of the Work, Contractor shall submit a Final Application for Payment. As used in the Contract Documents, "Final Completion" refers to the Contractor's satisfactory completion of all Work in accordance with the Contract Documents including completion of Punchlist items, demobilization from the Site and the transmittal of all deliverables required by the Contract Documents. The Final Application for Payment shall include (at a minimum) the items set forth below.

4.7.1.1 An affidavit that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, materials, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect UTA's interests;

4.7.1.2 A general release executed by Contractor waiving, upon receipt of final payment, all claims, except those claims previously made in writing to UTA and remaining unsettled at the time of final payment;

4.7.1.3 All as-built drawings, redlined drawings, operating manuals, warranty assignments and other deliverables required by the Contract Documents; and

4.7.1.4 Certificates of insurance confirming that required coverages will remain in effect consistent with the requirements of the Contract Documents.

4.7.2 Deficiencies in the Work discovered after Substantial Completion, whether or not such deficiencies would have been included on the Punchlist if discovered earlier, will be deemed warranty Work. Contractor shall correct such deficiencies pursuant to Section 2.6, and UTA may withhold from the final payment the reasonable value of completion of the deficient work until that work is completed.

### **ARTICLE 5** **Indemnification and Loss**

5.1 **Patent and Copyright Infringement.** If the Work includes any design services, provisions 5.1.1 through 5.1.3 apply.

5.1.1 Contractor shall defend any action or proceeding brought against UTA based on any claim that the Work, or any part thereof, or the operation or use of the Work or any part thereof, constitutes infringement of any United States patent or copyright, now or hereafter issued. UTA shall give prompt written notice to Contractor of any such action or proceeding and will reasonably provide authority, information and assistance in the defense of same. Contractor shall indemnify UTA from and against all damages and costs, including but not limited to attorneys' fees and expenses awarded against UTA or Contractor in any such action or proceeding. Contractor shall keep UTA informed of all developments in the defense of such actions.

5.1.2 If UTA is enjoined from the operation or use of the Work, or any part thereof, as the result of any patent or copyright suit, claim, or proceeding, Contractor shall at its sole expense take reasonable steps to procure the right to operate or use the Work. If Contractor cannot so procure such right within a reasonable time, Contractor shall promptly, at Contractor's expense, either: (i) modify the Work so as to avoid infringement of any such patent or copyright; or (ii) replace said Work with Work that does not infringe or violate any such patent or copyright.

5.1.3 Sections 5.1.1 and 5.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent or copyright: (i) relating solely to a particular process or product of a particular manufacturer specified by UTA and not offered or recommended by Contractor to UTA; or (ii) arising from modifications to the Work by UTA or its agents after acceptance of the Work

5.2 **Payment Claim Indemnification.** Provided that UTA is not in breach of its contractual obligation to make payments to Contractor for the Work, Contractor shall indemnify, defend and hold harmless UTA from any claims or mechanic's liens brought against UTA or against the Project as a result of the failure of Contractor, its Subcontractors, or others for whose acts Contractor is responsible, to pay for any services, materials, labor, equipment, taxes or other items or obligations furnished or incurred for or in connection with the Work. Within three (3) Days of receiving written notice from UTA that such a claim or mechanic's lien has been filed, Contractor shall commence to take the steps necessary to discharge said claim or lien, including, if necessary, the furnishing of a mechanic's lien bond. If Contractor fails to do so, UTA will have the right to discharge the claim or lien and hold Contractor liable for costs and expenses incurred, including attorneys' fees.

5.3 **Contractor's General Indemnification.**

5.3.1 Contractor, to the fullest extent permitted by law, shall indemnify, hold harmless and defend UTA, its officers, trustees, and employees from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction resulting from or arising out of the negligent acts or omissions of Contractor, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable.

5.3.2 If an employee of Contractor, a Subcontractor, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable has a claim against UTA, its officers, directors, employees, or agents, Contractor's indemnity obligation set forth in Section 5.3.1 above will not be limited by any limitation on the amount of damages, compensation or benefits payable by or for Contractor, Subcontractors, or other entity under any employee benefit acts, including workers' compensation or disability acts.

5.4 **Risk of Loss.** Contractor bears all risk of loss to the Project, including materials and equipment not yet incorporated into the Project, until final payment is made by UTA.

**ARTICLE 6**  
**Time**

- 6.1 **Obligation to Achieve the Contract Times.** Contractor shall commence performance of the Work and achieve the Contract Time(s) in accordance with the Contract Documents. The Contract Documents specify critical completion milestones with which Contractor must comply. All time and schedule requirements included within the Contract Documents are of the essence. By executing the Agreement, Contractor confirms that the completion milestones in the Contract Documents are reasonable for the performance of the Work. Unless otherwise excused by the terms of the Contract Documents, Contractor's failure to timely perform the Work in accordance with the completion milestones shall result in the assessment of liquidated damages (if, and to the extent, set forth in the Agreement) and (where no liquidated damages are provided under the Agreement or where the maximum liquidated damages available under the Agreement have been incurred) an event of default.
- 6.2 **Excusable Delays.** The Contract Time(s) for performance shall be equitably adjusted by Change Order to the extent that Contractor is actually and demonstrably delayed in the performance of the Work because of: (i) Differing Site Conditions (as provided in Section 3.2); (ii) Hazardous Materials (as provided in Section 3.1); (iii) Force Majeure Events (as defined in Section 1.3); (iv) changes in the Work directed by UTA (as provided in Section 7.2); (v) constructive changes (as provided in Section 7.3); (vi) changes in Legal Requirements (as provided in Section 2.3.3); (viii) a suspension without cause (as provided in Section 9.1); or (viii) UTA's unexcused delay in performing any UTA obligation specified in the Contract Documents in accordance with the completion milestones indicated in the approved schedule.
- 6.3 **Excusable and Compensable Delays.** In addition to Contractor's right to a time extension for those events set forth in Section 6.2 above, Contractor will also be entitled to an appropriate adjustment of the Contract Price provided, however, that the Contract Price will not be adjusted for delays caused by Force Majeure Events.

**ARTICLE 7**  
**Changes**

- 7.1 **Change Orders.**
- 7.1.1 Contractor shall not undertake any activity that materially changes the Work, or materially deviates from the requirements of the Contract Documents, except as authorized in this Article 7. Any costs incurred by Contractor without authorization as provided in this Article 7 will be considered non-compensable.
- 7.1.2 A Change Order is a written instrument, signed by UTA and Contractor, issued after execution of the Agreement, stating their agreement on a change in: (i) the scope of the Work; (ii) the Contract Price; and/or (iii) the Contract Time(s).
- 7.1.3 All changes in the Work authorized by applicable Change Order shall be performed under the applicable conditions of the Contract Documents. UTA and Contractor shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes.

7.2 **UTA-Directed Changes.** UTA may direct changes in the Work. Upon receipt of such direction, Contractor shall prepare an estimate of the cost and schedule impact of the change (if any). Upon agreement between UTA and Contractor on the scope of the change to the Work, and the adjustment, if any, to the Contract Price and/or Contract Times, UTA and Contractor shall execute a written Change Order.

7.3 **Constructive Changes.**

7.3.1 To the extent that Contractor: (i) receives a written or verbal direction or proceeding from UTA that Contractor believes to constitute a material change to the nature, character or schedule of the Work; and/or (ii) becomes aware of any circumstance or condition that expressly provides Contractor a right to a Change Order under the terms of the Contract Documents, then (in either case) Contractor shall deliver to UTA's Project Manager written notice (hereinafter a "Potential Change Notice") within ten (10) Days after Contractor becomes aware of (or should have reasonably become aware) the facts and circumstances which Contractor believes to give rise to a Change Order.

7.3.2 Contractor's failure to deliver a Potential Change Notice in a timely manner shall constitute a waiver of all of Contractor's rights to a Change Order.

7.3.3 In conjunction with the Potential Change Notice (or as soon as reasonably possible thereafter), Contractor shall submit to UTA all supporting information and documentation necessary for UTA to evaluate the contractual basis for the Potential Change Notice and to also evaluate the relief claimed by Contractor. Contractor shall promptly respond to all UTA inquiries about the Potential Change Notice and the supporting information and documentation.

7.3.4 To the extent UTA concludes that the Potential Change Notice demonstrates Contractor's entitlement to a Contract adjustment, and provided that the parties are able to negotiate mutually agreeable adjustments to the Contract Documents, then UTA and Contractor shall execute a written Change Order.

7.4 **Direction or Authorization to Proceed.**

7.4.1 Prior to final agreement with respect to a Change Order, UTA may issue a Direction or Authorization to Proceed ("DAP"). A DAP is a written order unilaterally prepared and signed by UTA directing the Contractor to proceed with specified Work while Change Order negotiations or Claim resolution discussions continue. UTA may issue a DAP at any time, and Contractor shall undertake the Work as set forth in the DAP, and in accordance with the Contract Documents.

7.4.2 After issuance of a DAP, UTA and Contractor shall continue to negotiate in good faith to resolve outstanding issues expeditiously.

7.5 **Requests for Information.** UTA shall have the right, from time to time, to issue clarifications to

the Work of a non-material nature at any time. Contractor shall have the corresponding right to seek clarification with respect to ambiguous or conflicting provisions of the Contract Documents. Such clarifications or conflicts shall be confirmed, implemented and documented through a Request for Information (“RFI”) process to be developed for the Project. The RFI process may also be used to document minor changes in the Work do not involve an adjustment in the Contract Price and/or Contract Time(s) and do not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents.

## 7.6 **Contract Price Adjustments.**

7.6.1 The increase or decrease in Contract Price resulting from a change in the Work will be determined by one or more of the following methods:

7.6.1.1 Unit prices set forth in the Agreement or as subsequently agreed to between the parties;

7.6.1.2 A mutually accepted lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by UTA;

7.6.1.3 Costs, fees and any other markup rates set forth in the Agreement; or

7.6.1.4 If an increase or decrease cannot be agreed to as set forth in items 7.6.1.1 through 7.6.1.3 above and UTA issues a DAP, the cost of the change of the Work shall be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including a reasonable overhead and profit rate, as may be set forth in the Agreement.

7.6.2 If unit prices are set forth in the Contract Documents or are subsequently agreed to by the parties, but application of such unit prices will cause substantial inequity to UTA or Contractor because of differences in the character or quantity of such unit items as originally contemplated, such unit prices shall be equitably adjusted.

7.6.3 Negotiations over changes in the Contract Price will be conducted using an open-book cost-estimating process. UTA defines “open-book” to include all elements of Contractor’s costs, including labor hours and rates, units and estimated quantities, unit prices, equipment estimates, material costs, and subcontractor costs. Contractor shall openly share its detailed cost estimate, material and subcontractor quotations and any other information used to compile its cost estimate.

7.7 **Disputes Regarding Change Orders.** If the parties are not able to agree as to whether a Change Order is warranted under the Contract Documents, or cannot agree upon the extent of relief to be granted under a Change Order after good faith negotiations, either party may refer the dispute to the Claim resolution provisions of Article 8. Pending resolution of such Claim, Contractor shall proceed with the Work as directed by UTA under a reservation of rights. UTA shall continue to pay any undisputed payments related to such Claim.

- 7.8 **Emergencies.** In any emergency affecting the safety of persons and/or property, Contractor shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Contract Time(s) on account of emergency work shall be determined as provided in this Article 7.

## ARTICLE 8

### **Claims and Claim Resolution**

#### **8.1 Claims.**

8.1.1 “Claim” means any disputes between UTA and the Contractor arising out of or relating to the Contract Documents including any disputed claims for Contract adjustments that cannot be resolved in accordance with the Change Order negotiation process set forth in Article 8. Claims must be made by written notice. The responsibility to substantiate claims rests with the party making the claim.

8.1.2 Unless otherwise directed by UTA in writing, Contractor shall proceed diligently with performance of the Work pending final resolution of a Claim, including litigation. UTA shall continue to pay any undisputed payments related to such Claim.

#### **8.2 Claim Resolution.**

8.2.1 The parties shall attempt in good faith to resolve promptly through negotiation any Claim arising out of or relating to the Contract Documents. If a Claim should arise, UTA’s Project Manager and Contractor’s Project Manager will meet at least once to attempt to resolve the Claim. For such purpose, either may request the other to meet within seven (7) Days of the date the Claim is made, at a mutually agreed upon time and place.

8.2.2 If UTA’s Project Manager and Contractor’s Project Manager are not able to resolve the Claim within fourteen (14) Days after their first meeting (or such longer period of time as may be mutually agreed upon), either party may request that UTA’s Senior Representative and the Contractor’s management representative (“Contractor’s Management Representative”) meet at least once to attempt to resolve the Claim.

8.2.3 If the Claim has not been resolved within sixty (60) Days of the date the Claim is made, either party may refer the Claim to non-binding mediation by sending a written mediation request to the other party. In the event that such a request is made, the Parties agree to participate in the mediation process. Non-binding mediation of claims or controversies under the Contract Documents shall be conducted by a professional mediator that is mutually acceptable to and agreed upon by both parties (the “Mediator”). The parties and the Mediator may join in the mediation any other party necessary for a mutually acceptable resolution of the Claim. The mediation procedure shall be determined by the Mediator in consultation with the parties. The fees and expenses of the Mediator shall be borne equally by the parties.

8.2.4 If the Claim is not resolved within thirty (30) days after the commencement of mediation, or if no mediation has been commenced within one hundred and twenty (120) days of the

date the Claim is made, either party may commence litigation to resolve the Claim. The exclusive forum for any such litigation is the Third District Court in and for Salt Lake County, Utah.

**ARTICLE 9**  
**Suspension and Termination**

**9.1 UTA's Right to Stop Work.**

9.1.1 UTA may, without cause and for its convenience, order Contractor in writing to stop and suspend the Work. Such suspension shall not exceed one hundred and twenty (120) consecutive Days or aggregate more than two hundred and forty (240) Days during the duration of the Project. In the event a suspension continues longer than the above-referenced periods, Contractor shall have the right to terminate the Agreement. Any such termination shall be considered to be a termination for convenience by UTA.

9.1.2 If a suspension is directed by UTA without cause, Contractor shall be entitled to seek an adjustment of the Contract Price and/or Contract Time(s) if its cost or time to perform the Work has been adversely impacted by any suspension or stoppage of the Work by UTA.

9.1.3 In addition to its rights under Section 9.3, UTA shall have the right to order a suspension for cause if the Work at any time ceases to comply with the workmanship, safety, quality or other requirements of the Contract Documents or any Legal Requirements. Contractor shall not be entitled to seek an adjustment the Contract Price and/or Contract Time(s) with regard to any such suspension.

**9.2 UTA's Right to Terminate for Convenience.** Upon written notice to Contractor, UTA may, for its convenience and without cause, elect to terminate this Agreement. In such event, UTA shall pay Contractor for the following:

9.2.1 All Work satisfactorily completed or commenced and in process as of the effective date of termination;

9.2.2 The reasonable and demonstrable costs and expenses attributable to such termination, including demobilization costs and amounts due in settlement of terminated contracts with Subcontractors; and

9.2.3 The fair and reasonable sums for overhead and profit on the sum of items 9.2.1.1 and 9.2.1.2 above. UTA shall not be liable for anticipated profits, costs or overhead based upon Work not yet performed as of the date of termination.

**9.3 UTA's Right to Terminate for Cause; Other Remedies for Default.**

9.3.1 Subject to the cure provision of Section 9.3.2 below and other limitations set forth in these General Conditions, Contractor shall be in default of its obligations under the Contract Documents if Contractor: (i) fails to provide a sufficient number of skilled workers; (ii)

fails to supply the materials required by the Contract Documents; (iii) fails to comply with applicable Legal Requirements; (iv) fails to timely pay its Subcontractors without proper cause; (v) makes a materially false or misleading representation or certification in conjunction with the Contract Documents; (vi) fails to prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s), as such times may be adjusted; (vii) fails to satisfy any guaranteed interim or completion milestone set forth in the Contract Documents; or (viii) fails to perform any other material obligations under the Contract Documents. In any such event, UTA (in addition to any other rights and remedies provided in the Contract Documents or by law) shall have the rights set forth in Sections 9.3.2 through 9.3.5 below.

- 9.3.2 Upon the occurrence of an event of default set forth in Section 9.3.1 above, UTA may provide written notice to Contractor that it intends to terminate the Agreement (in whole or in part) or pursue other available remedies unless the grounds for default are cured within ten (10) Days of Contractor's receipt of such notice. If Contractor fails to cure the grounds for default within such period, then UTA may declare the Agreement, or portions of the Agreement, terminated for default by providing written notice to Contractor of such declaration; provided, however, that to the extent that an item included is the notice of default and demand for cure is capable of cure, but not within the ten-Day cure period, then the Agreement shall not be terminated so long as Contractor commences actions to reasonably cure such breach within the 10-Day cure period and thereafter continuously and diligently proceeds with such curative actions until completion (such additional period not to exceed 45 Days). UTA may terminate the Agreement without opportunity to cure if the breach involves the Contractor's material failure to comply with any Legal Requirements pertaining to safety or environmental compliance.
- 9.3.3 Upon the continuance of a breach described in Section 9.3.1 for more than ten (10) Days following delivery of written notice to Contractor (and regardless of whether the Agreement, or any portion hereof, has been terminated as provided above), UTA shall be entitled to self-perform (through its own forces or through other contractors) the corrective action necessary to cure Contractor's event of default and deduct all costs so incurred from any amount then or thereafter due to Contractor.
- 9.3.4 Upon the continuance of a breach described in Section 9.3.1 for more than ten (10) Days following delivery of written notice to Contractor (and regardless of whether the Agreement, or any portion hereof, has been terminated as provided above), UTA shall be entitled to seek performance by any guarantor of Contractor's obligations hereunder or draw upon any surety or security provided for in the Contract Documents.
- 9.3.5 Upon declaring the Agreement terminated pursuant to Section 9.3.2 above, UTA may enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Contractor hereby transfers, assigns and sets over to UTA for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items. In the event of such termination, Contractor shall not be

entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. At such time, if the unpaid balance of the Contract Price exceeds the cost and expense incurred by UTA in completing the Work, such excess shall be paid by UTA to Contractor. If UTA's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Contractor shall pay the difference to UTA. Such costs and expenses include not only the cost of completing the Work, but also losses, damages, costs and expenses, including attorneys' fees and expenses, incurred by UTA in connection with the procurement and defense of claims arising from Contractor's default.

9.3.6 All rights and remedies set forth in the Contract Documents are cumulative, and unless otherwise specifically provided in the Contract Documents are not exclusive of any other rights or remedies that may be available, whether provided by law, equity, statute, in any other agreement between the Parties or otherwise. Upon the occurrence of any such default, following the applicable process described in this Article, UTA shall be entitled to pursue any and all other rights and remedies, including without limitation damages, that UTA may have against Contractor under the Contract Documents or at law or in equity.

9.3.7 If UTA improperly terminates the Agreement for cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Section 9.2 above.

#### 9.4 **Bankruptcy of Contractor.**

9.4.1 If Contractor institutes or has instituted against it a case under the United States Bankruptcy Code, such event may impair or frustrate the Contractor's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

9.4.1.1 Contractor, its trustee or other successor, shall furnish, upon request of UTA, adequate assurance of the ability of the Contractor to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) Days after receiving notice of the request; and

9.4.1.2 Contractor shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within sixty (60) Days of the institution of the bankruptcy filing and shall diligently prosecute such action. If Contractor fails to comply with its foregoing obligations, UTA shall be entitled to request the bankruptcy court to reject the Agreement, declare the Agreement terminated and pursue any other recourse available to the UTA under this Article 9.

9.4.2 The rights and remedies under Section 9.4.1 above shall not be deemed to limit the ability of UTA to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code.

### **ARTICLE 10**

## Value Engineering

### 10.1 Value Engineering Change Proposals.

10.1.1 A Value Engineering Change Proposal (“VECP”) is a proposal developed, prepared, and submitted to UTA by the Contractor, which reduces the cost of the Work without impairing essential functions or characteristics of the Project, as determined by UTA in its sole discretion. UTA encourages Contractor to submit VECPs whenever it identifies potential savings or improvements. UTA may also request the Contractor to develop and submit a specific VECP.

10.1.2 In determining whether a VECP will impair essential functions or characteristics of the Project, UTA may consider: (i) relative service life; (ii) maintenance effort and frequency; (iii) environmental and aesthetic impacts; (iv) system service; (v) effect of other system components; and (vi) other issues as UTA deems relevant. A VECP must not be based solely on a change in quantities.

10.1.3 Contractor must include the following information in any VECP:

10.1.3.1 A narrative description of the proposed change,

10.1.3.2 A discussion of differences between existing requirements and the proposed change, together with advantages and disadvantages of each changed item;

10.1.3.3 A complete cost analysis, including the cost estimate of any additional rights-of-way or easements required for implementation of the VECP;

10.1.3.4 Justification for changes in function or characteristics of each item and effect of the change on the performance on the end item;

10.1.3.5 A description of any previous use or testing of the proposed approach and the conditions and results. If the VECP was previously submitted on another UTA project, the Contractor shall indicate the date, contract number, and the action taken by UTA;

10.1.3.6 Costs of development and implementation; and

10.1.3.7 Any additional information requested by UTA, which must be provided in a timely manner.

### 10.2 Review and Approval of VECPs

10.2.1 Upon receipt of a VECP, UTA shall process it expeditiously, but will not be liable for any delay in acting upon any VECP. Contractor may withdraw all or part of any VECP at any time prior to approval by UTA, but shall, in any case, be liable for costs incurred by UTA in reviewing the withdrawn VECP, or part thereof. In all other situations, each party will bear its own costs in connection with preparation and review of VECPs.

- 10.2.2 UTA may approve in whole or in part any VECP submitted. The decision of UTA regarding rejection or approval of any VECP will be at the sole discretion of UTA and will be final and not subject to appeal. Contractor will have no claim for any additional costs or delays resulting from the rejection of a VECP, including development costs, loss of anticipated profits, or increased material or labor costs
- 10.3 **Cost Savings.** Except as otherwise stated in the Agreement, any savings resulting from an approved VECP will accrue to the benefit of UTA and Contractor on a 50/50 cost sharing basis.
- 10.4 **Ownership of VECPs.** All approved or disapproved VECPs will become the property of UTA and must contain no restrictions imposed by Contractor on their use or disclosure. UTA retains the right to use, duplicate, and disclose, in whole or in part, any data necessary for the utilization of the VECP on any other projects without any obligation to Contractor. This provision is not intended to deny rights provided by law with respect to patented materials or processes.

**ARTICLE 11**  
**Health Insurance**

**11.1 Insurance Coverage for Employees.**

- 11.1.1 If the Contract Price is \$2,000,000 or more, Contractor shall, prior to the effective date of the Agreement, demonstrate to UTA that Contractor has and will maintain an offer of qualified health insurance coverage (as defined by Utah Code Ann. § 17B-2a-818.5) for the Contractor’s employees and the employee’s dependents during the duration of the Contract.
- 11.2.1 If the Contractor enters into any subcontracts under the Contract Documents in an amount of \$1,000,000 or more, then Contractor shall also demonstrate to UTA that such subcontractor(s) have and will maintain an offer of qualified health insurance coverage for the subcontractor’s employees and the employee’s dependents during the duration of the subcontract

**ARTICLE 12**  
**Miscellaneous**

- 12.1 **Confidential Information.** “Confidential Information” means information that is determined by the transmitting party to be of a confidential or proprietary nature and: (i) the transmitting party identifies in writing as either confidential or proprietary; (ii) the transmitting party takes steps to maintain the confidential or proprietary nature of the information; and (iii) the document is not otherwise available in or considered to be in the public domain. To the extent permitted by law (including specifically UCA Title 63G Chapter 2), the receiving party shall maintain the confidentiality of the Confidential Information and shall use the Confidential Information solely in connection with the Project. The parties agree that the Agreement itself (including all incorporated Contract Documents) does not constitute Confidential Information.

- 12.2 **PUBLIC INFORMATION:** Vendor acknowledges that the Contract and related materials

(invoices, orders, etc.) will be public documents under the Utah Government Records Access and Management Act (GRAMA). Vendor's response to the solicitation for the Contract will also be a public document subject to GRAMA, except for legitimate trade secrets, so long as such trade secrets were properly designated in accordance with terms of the solicitation.

- 12.3 **Prohibited Interest.** No member, officer, agent, or employee of UTA during his or her tenure or for one year thereafter shall have any interest, direct or indirect, including prospective employment by, Contractor or the proceeds under the Contract Documents without specific written authorization by UTA.
- 12.4 **Assignment.** Contractor acknowledges that the Work to be performed by Contractor is considered personal by UTA. Contractor shall not assign or transfer its interest in the Contract Documents without prior written approval by UTA.
- 12.5 **Successors.** Contractor and UTA intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and permitted assigns.
- 12.6 **Governing Law.** The Agreement and all Contract Documents are governed by the laws of the State of Utah, without giving effect to its conflict of law principles. Actions to enforce the terms of this Agreement may only be brought in the Third District Court for Salt Lake County, Utah.
- 12.7 **Attorneys Fees and Costs.** If any party to this Agreement brings an action to enforce or defend its rights or obligations hereunder, the prevailing party shall be entitled to recover its costs and expenses, including mediation, arbitration, litigation, court costs and attorneys' fees, if any, incurred in connection with such suit, including on appeal.
- 12.8 **Severability.** If any provision or any part of a provision of the Contract Documents is finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.
- 12.9 **No Waiver.** The failure of either Contractor or UTA to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.
- 12.10 **Headings.** The headings used in these General Conditions, or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.
- 12.11 **Amendments.** The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.
- 12.12 **FORCE MAJEURE:** Neither party to the Contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which are beyond that party's reasonable control. UTA

may terminate the Contract after determining such delay or default will reasonably prevent successful performance of the Contract.

## Exhibit A Scope of Work

The project consists of exterior & interior building renovation items listed below at the UTA Tooele Bus Facility. Located at 90 S Garnet Street in Tooele, UT, the Tooele Bus Facility functions primarily as a garage for UTA buses serving the Tooele area. UTA owns the northern half of building 659 in the Peterson Industrial Depot. The UTA owned part of the building is approximately 45,000 square feet with nine functioning garage bay doors and one main entrance door. On the north end of the building is a gravel area being used as a parking lot. The interior of the building is open warehouse space with concrete flooring and an office area in the northwest corner.

### GENERAL PROJECT DESCRIPTION

#### **Planned Construction:**

Below is a list of the renovation items that are included with this project (refer to project plans and specifications for more information):

1. Siding – Horizontal metal siding installed over the top of the existing siding. This includes OSB sheathing & liquid-applied waterproof membrane, flashing, trim, soffit & fascia, heavy gauge gutters & downspouts, and heat cable on gutters & downspouts. See plans for siding treatment at building corners and non-functioning slider doors.
2. Signage – Install new UTA Sign, large format building numbers, and garage bay numbers. Coordinate placement with new siding.
3. Entrance – Entrance vestibule on north side of the building and replace main entrance door.
4. Garage Bays – Four of the nine garage bay doors need to be widened from 12’ to 14’ doors (includes framing new opening and cutting foundation wall to widen). Install two new garage door openers. Include item for saw-cut, removal, and replacement concrete floor under garage doors to close gap and repair damaged concrete as shown on plans.
5. Windows – Replace all 18 of the original 32”x42” windows. State Historic Preservation Office (SHPO) guidelines require matching the grids of the original windows.
6. Interior Lighting – Update interior overhead lights with LED bulbs.
7. Exterior Lighting – Update exterior lighting with LED fixtures, add new lighting in 4 areas as shown on plans.
8. Roof – Roof repair (approx. 4500 sf) is needed in an area of the roof near the center masonry wall that separates the two halves of building 659.
9. Driveways & Parking Lot – Remove and replace existing driveways (9) with new asphalt pavement. Include a contingency for concrete removal that may be under existing asphalt. Construct new asphalt parking lot on the north side of the building. Drain new parking lot into existing storm drain system as shown on plans.
10. Landscape – Grade between driveways and install weed barrier and rock mulch.

**Exhibit B**  
**Pricing and Payment Schedule**

This contract will have a Not to Exceed amount of \$1,095,924.53 per the pricing proposal below.



Tooele Bus Facility Renovation - Pricing Sheet				
	Unit	Quantity*	Unit Cost	Item Cost
<b>DIV 2 - EXISTING CONDITIONS</b>				
Selective Demolition (concrete slabs, lighting, doors, etc.)	LUMP	1	\$ 1.00	\$ 23,420.00
			subtotal	\$ 23,420.00
<b>DIV 3 - CONCRETE</b>				
Sloped concrete slab at overhead doors	SF	800		\$ 9,950.00
ADA replacement slab at man door	SF	70		\$ 700.00
			subtotal	\$ 10,650.00
<b>DIV 5 - METALS</b>				
Entry shelter	LUMP	1		\$ 29,501.50
Concrete-filled metal bollards	EA	32		\$ 10,438.00
			subtotal	\$ 39,939.50
<b>DIV 6 - WOOD, PLASTICS, &amp; COMPOSITES</b>				
Misc. rough carpentry	LUMP	1		\$ 8,500.00
Exterior sheathing over existing cladding	SF	15500		\$ 88,000.00
			subtotal	\$ 96,500.00
<b>DIV 7 - THERMAL &amp; MOISTURE PROTECTION</b>				
Liquid-applied waterproofing	SF	15500		\$ 55,765.17
Roof repair (allowance)	SF(ALLOW)	4500		\$ 10,000.00
Wall cladding (pre-finished)	SF	15500		\$ 205,484.00
Misc. flashing, sealing, & caulking	LUMP	1		\$ 5,500.00
			subtotal	\$ 276,749.17
<b>DIV 8 - OPENINGS</b>				
Sliding door repair	EA	2		\$ 4,131.30
New sectional doors & operators	EA	4		\$ 33,075.00
New man door & frame	EA	1		\$ 1,885.15
Replacement windows	EA	18		\$ 23,207.83
			subtotal	\$ 62,299.28

<b>DIV 10 - SPECIALTIES</b>				
UTA Signage	LUMP	1		\$ 17,998.70
Electrical for Signage	LUMP	1		\$ 950.00
Door numbering & address	LUMP	1		\$ 17,200.76
			subtotal	\$ 36,149.45
<b>DIV 26 - ELECTRICAL</b>				
New interior replacement lighting	EA	126		\$ 19,800.00
New exterior replacement lighting	EA	6		\$ 1,500.00
			subtotal	\$ 21,300.00
<b>DIV 31 - EARTHWORK</b>				
Excavation/Site Clearing	CY	35		\$ 6,500.00
Grading	LUMP	1		\$ 10,600.00
			subtotal	\$ 17,100.00
<b>DIV 32 - EXTERIOR IMPROVEMENTS</b>				
Site demolition	LUMP	1		\$ 15,674.25
Asphalt Paving with road base & grading	LUMP	1		\$ 100,752.96
Concrete curb & gutter	LF	1200		\$ 30,000.00
Concrete Paving	LUMP	1		\$ 3,525.00
Parking lot striping	LUMP	1		\$ 1,755.00
			subtotal	\$ 151,707.21
<b>DIV 33 - UTILITIES</b>				
Storm water piping	LUMP	1		\$ 15,260.29
SWPPP	LUMP	1		\$ 4,625.00
Mobilization	LUMP	1		\$ 8,000.00
			subtotal	\$ 27,885.29
<b>CONSTRUCTION SUBTOTAL</b>				\$ 763,699.90
			%	
	Undefined Elements			\$ 72,534.50
	General Conditions			\$ 157,566.29
	Bonding and insurance			\$ 12,681.78
	Profit and Overhead			\$ 89,442.06
<b>Total Project Estimated Cost</b>				\$ 1,095,924.53

Payments will be made after the delivery and approval by UTA of the services completed. All services will be invoiced each month as each area is completed.

**EXHIBIT C****FEDERAL CLAUSES FOR CONSTRUCTION CONTRACTS****ACCESS REQUIREMENTS FOR PERSONS WITH DISABILITIES**

Contractor shall comply with 49 USC 5301(d), stating federal policy that the elderly and persons with disabilities have the same rights as other persons to use mass transportation services and facilities and that special efforts shall be made in planning and designing those services and facilities to implement that policy. Contractor shall also comply with all applicable requirements of Section 504 of the Rehabilitation Act of 1973, as amended, 29 USC 794, which prohibits discrimination on the basis of disability; the Americans with Disabilities Act of 1990 (ADA), as amended, 42 USC 12101 et seq., which requires that accessible facilities and services be made available to persons with disabilities; and the Architectural Barriers Act of 1968, as amended, 42 USC §4151 et seq., which requires that buildings and public accommodations be accessible to individuals with disabilities.

**ACCESS TO RECORDS AND REPORTS**

Contractor will retain, and will require its subcontractors of all tiers to retain, complete and readily accessible records related in whole or in part to the Contract, including, but not limited to, data, documents, reports, statistics, sub-agreements, leases, subcontracts, arrangements, other third-party agreements of any type, and supporting materials related to those records.

Contractor agrees to comply with the record retention requirements in accordance with 2 CFR §200.333. Contractor shall maintain all books, records, accounts and reports required under the Contract for a period equal to the longer of: (i) three (3) years; or (ii) such longer period as may be specified in the Contract (except in the event of litigation or settlement of claims arising from the performance of the Contract, in which case records shall be maintained until the full and final disposition of all such claims or litigation (including appeals related thereto)).

Contractor agrees to provide sufficient access to United States Department of Transportation, Federal Transit Administration (FTA) and its contractors to inspect and audit records and information related to performance of the Contract as reasonably may be required.

Contractor agrees to permit FTA and its contractors access to the sites of performance under the Contract as reasonably may be required.

**BONDING REQUIREMENTS [Applicable Only to Contracts valued at more than \$150,000]**

Unless a different requirement is set forth in the Contract, Contractor shall maintain the following bonds:  
A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

A performance bond in the amount of **100%** of the Contract value is required by the Recipient to ensure faithful performance of the Contract. The performance bond shall be provided by Contractor and shall remain in full force for the term of the Contract. Contractor will provide the performance bond to UTA within ten (10) business days from execution of the Contract. The performance bond must be provided by a fully qualified surety company acceptable to the UTA and listed as a company currently authorized under 31 CFR Part 22 as possessing a certificate of authority as described thereunder. UTA may require additional performance bond protection if the Contract price is increased. The increase in protection shall generally equal 100 percent of the increase in Contract price. UTA may secure additional protection by directing Contractor to increase the amount of the existing bond or to obtain an additional bond.

A labor and materials payment bond equal to the full value of the Contract must be furnished by Contractor to UTA as security for payment by Contractor and subcontractors for labor, materials, and rental of equipment. The bond may be issued by a fully qualified surety company acceptable to UTA and listed as a company currently authorized under

31 CFR Part 223 as possessing a certificate of authority as described thereunder.

**BUY AMERICA CERTIFICATION** [Applicable Only to Contracts valued at more than \$150,000]

Contractor shall comply with 49 USC 5323(j) and 49 CFR 661, as amended by MAP-21 stating that federal funds may not be obligated unless steel, iron and manufactured products used in FTA-funded projects are produced in the United States, unless a waiver has been granted by FTA or the product is subject to a general waiver. General waivers are listed in 49 CFR 661.7. Separate requirements for rolling stock are set out at 49 USC §5323(j)(2)(C) and 49 CFR §661.11. Rolling stock must be assembled in the United States and have the applicable percentage of domestic content required by 49 USC 5323(j) and 49 CFR 661. Contractor shall be responsible for ensuring that lower tier contractors and subcontractors are in compliance with these requirements. All respondents to the UTA solicitation for the Contract must include the appropriate Buy America certification with their responses and any response that is not accompanied by a completed Buy America Certification will be rejected as nonresponsive.

**CARGO PREFERENCE** [Applicable Only to Contracts Involving Equipment, Materials or Commodities Transported by Ocean Vessels]

Contractor shall: (i) use privately owned US-Flag commercial vessels to ship at least 50% of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to the Contract, to the extent such vessels are available at fair and reasonable rates for US flag commercial vessels; (ii) furnish, within 20 working days following the loading date of shipments originating within the US or within 30 working days following the loading date of shipments originating outside the US, a legible copy of a rated, "on-board" commercial bill-of-lading in English for each shipment of cargo described herein to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590 and to UTA (through Contractor in the case of a subcontractor's bill-of-lading.); and (iii) include these requirements in all subcontracts issued pursuant to the Contract when the subcontract involves the transport of equipment, material or commodities by ocean vessel.

**CHANGES TO FEDERAL REQUIREMENTS**

Contractor shall comply with all applicable regulations, policies, procedures and directives of the FTA. Applicable regulations, policies, procedures and directives include, without limitation, those listed directly or by reference in the Master Agreement between UTA and FTA, as they may be amended or promulgated from time to time during the term of the Contract. Contractor's failure to comply shall constitute a material breach of the Contract.

**CIVIL RIGHTS REQUIREMENTS**

In accordance with Federal transit law at 49 USC §5332, Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, disability, or age. In addition, Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue including, without limitation the following equal employment opportunity requirements:

(1) **Race, Color, Creed, National Origin, Sex** – In accordance with Title VII of the Civil Rights Act, as amended, 42 USC §2000e et seq., and federal transit laws at 49 USC §5332, Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 CFR Part 60, and Executive Order No. 11246, "Equal Employment Opportunity in Federal Employment," September 24, 1965, 42 USC §2000e note, as amended by any later Executive Order that amends or supersedes it, referenced in 42 USC §2000e note. Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, national origin, or sex (including sexual orientation and gender identity). Such action shall include, but not be limited to, the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, Contractor agrees to comply with any implementing requirements FTA may issue.

(2) **Age** – In accordance with the Age Discrimination in Employment Act, 29 USC §§621-634, U.S. Equal Employment Opportunity Commission (U.S. EEOC) regulations, “Age Discrimination in Employment Act,” 29 CFR Part 1625, the Age Discrimination Act of 1975, as amended, 42 USC §6101 et seq., U.S. Health and Human Services regulations, “Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance,” 45 CFR Part 90, and federal transit law at 49 USC §5332, Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, Contractor agrees to comply with any implementing requirements FTA may issue.

(3) **Disabilities** – In accordance with Section 504 of the Rehabilitation Act of 1973, as amended, 29 USC §794, the Americans with Disabilities Act of 1990, as amended, 42 USC §12101 et seq., the Architectural Barriers Act of 1968, as amended, 42 USC §4151 et seq., and federal transit law at 49 USC §5332, Contractor agrees that it will not discriminate against individuals on the basis of disability. In addition, Contractor agrees to comply with any implementing requirements FTA may issue.

Contractor also agrees to include these requirements in each subcontract financed in whole or in part with federal assistance provided by FTA, modified only if necessary to identify the affected parties.

**CLEAN AIR** [Applicable Only to Contracts valued at more than \$150,000]

Contractor shall comply with all applicable standards, orders or regulations pursuant to the Clean Air Act, 42 USC 7401 et seq. Contractor agrees that it will not use any violating facilities. Contractor shall report each violation to UTA and understands and agrees that UTA will, in turn, report each violation as required to FTA and the appropriate EPA Regional Office. Contractor shall include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with FTA assistance.

**CLEAN WATER** [Applicable Only to Contracts valued at more than \$150,000]

Contractor shall comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq. Contractor shall report each violation to UTA and understands and agrees that UTA will, in turn, report each violation as required to FTA and the appropriate EPA Regional Office. Contractor shall include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with FTA assistance.

**CONFORMANCE WITH NATIONAL ITS ARCHITECTURE** [Applicable Only to Contracts and Solicitations for Intelligent Transportation Systems]

To the extent applicable, Contractor agrees to conform to the National Intelligent Transportation Systems (ITS) Architecture and Standards as required by SAFETEA-LU § 5307(c), 23 U.S.C. § 512 note, and comply with FTA Notice, "FTA National ITS Architecture Policy on Transit Projects" 66 Fed. Reg. 1455 et seq., January 8, 2001, and any subsequent further implementing directives, except to the extent FTA determines otherwise in writing.

**CONTRACT WORK HOURS AND SAFETY STANDARDS ACT** [Applicable Only to Contracts valued at more than \$150,000]

(1) **Overtime Requirements** – Neither Contractor nor any subcontractor contracting for any part of the work under the Contract which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) **Violation; Liability for Unpaid Wages; Liquidated Damages** – In the event of any violation of the clause set forth in paragraph (1) of this section, Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, Contractor and such subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) **Withholding for Unpaid Wages and Liquidated Damages** – UTA shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by Contractor or any subcontractor under the Contract or any other federal contract with Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by Contractor, such sums as may be determined to be necessary to satisfy any liabilities of Contractor or any subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) **Subcontracts** – Contractor and all subcontractors shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

## **DAVIS-BACON ACT PREVAILING WAGE AND COPELAND ACT ANTI-KICKBACK REQUIREMENTS**

(1) **Minimum wages** – (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between Contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under paragraph (1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) UTA's Civil Rights Compliance Office shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the Contract shall be classified in conformance with the wage determination. UTA's Civil Rights Compliance Office shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

Except with respect to helpers as defined as 29 CFR 5.2(n)(4), the work to be performed by the classification requested is not performed by a classification in the wage determination; and

(1) The classification is utilized in the area by the construction industry; and

(2) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination; and

(3) With respect to helpers as defined in 29 CFR 5.2(n)(4), such a classification prevails in the area in which the work is performed.

(B) If Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and UTA's Civil Rights Compliance Office agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by UTA's Civil Rights Compliance Office to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise UTA's Civil Rights

Compliance Office or will notify UTA's Civil Rights Compliance Office within the 30-day period that additional time is necessary.

(C) In the event Contractor, the laborers or mechanics to be employed in the classification or their representatives, and UTA's Civil Rights Compliance Office do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), UTA's Civil Rights Compliance Office shall refer the questions, including the views of all interested parties and the recommendation of UTA's Civil Rights Compliance Office, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise UTA's Civil Rights Compliance Office or will notify UTA's Civil Rights Compliance Office within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraph (1)(ii) (B) or (C) of this section, shall be paid to all workers performing work in the classification under the Contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the Contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If Contractor does not make payments to a trustee or other third person, Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(v)(A) UTA's Civil Rights Compliance Office shall require that any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the Contract shall be classified in conformance with the wage determination. UTA's Civil Rights Compliance Office shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and UTA's Civil Rights Compliance Office agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by UTA's Civil Rights Compliance Office to the Administrator of the Wage and Hour Division, Employment Standards Administration, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise UTA's Civil Rights Compliance Office or will notify UTA's Civil Rights Compliance Office within the 30-day period that additional time is necessary.

(C) In the event Contractor, the laborers or mechanics to be employed in the classification or their representatives, and UTA's Civil Rights Compliance Office do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), UTA's Civil Rights Compliance Office shall refer the questions, including the views of all interested parties and the recommendation of UTA's Civil Rights Compliance Office, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise UTA's Civil Rights Compliance Office or will notify UTA's Civil Rights Compliance Office within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (1)(v) (B) or (C) of this section, shall be paid to all workers performing work in the classification under the Contract from the first day on which work is performed in the classification.

(2) **Withholding** – UTA shall upon its own action or upon written request of an authorized representative of the

Department of Labor withhold or cause to be withheld from Contractor under the Contract or any other federal contract for which Contractor is the prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by Contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by Contractor or any subcontractor the full amount of wages required by the Contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the Contract, UTA may, after written notice to Contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

**(3) Payrolls and basic records** – (i) Payrolls and basic records relating thereto shall be maintained by Contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1 (b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. If Contractor employs apprentices or trainees under approved programs, Contractor shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) Contractor shall submit weekly for each week in which any work under the Contract is performed a copy of all payrolls to UTA for transmission to the FTA. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under Section 5.5(a)(3)(i) of Regulations, 29 CFR Part 5. This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. Contractor is responsible for the submission of copies of payrolls by all subcontractors.

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the Contract and shall certify the following: That the payroll for the payroll period contains the information required to be maintained under Section 5.5(a)(3)(i) of Regulations, 29 CFR Part 5 and that such information is correct and complete:

(1) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the Contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR Part 3; and

(2) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the Contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject Contractor or subcontractor to civil or criminal prosecution under Section 1001 of title 18 and Section 231 of title 31 of the United States Code.

(iii) Contractor and any subcontractor shall make the records required under paragraph (3) of this section available for inspection, copying, or transcription by authorized representatives of the FTA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If Contractor or subcontractor fails

to submit the required records or to make them available, the federal agency may, after written notice to Contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR §5.12.

(4) **Apprentices and trainees** – (i) Apprentices – Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to Contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where Contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in Contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator of the Wage and Hour Division of the U.S. Department of Labor determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees – Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity – The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

(5) **Compliance with Copeland “Anti-Kickback” Act Requirements** – Contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference in the Contract. Contractor is prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the

compensation to which he or she is otherwise entitled.

**(6) Subcontracts** – Contractor and any subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the FTA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

**(7) Contract Termination: Debarment** – A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the Contract, and for debarment of Contractor as a contractor and a subcontractor as provided in 29 CFR 5.12.

**(8) Compliance with Davis-Bacon and Related Act Requirements** – All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in the Contract.

**(9) Disputes Concerning Labor Standards** – Disputes arising out of the labor standards provisions of the Contract shall not be subject to the general disputes clause of the Contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between Contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

**(10) Certification of Eligibility** – (i) By entering into the Contract, Contractor certifies that neither Contractor nor any person or firm who has an interest in Contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1). (ii) No part of the Contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1). (iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 USC 1001.

**DEBARMENT AND SUSPENSION** [Applicable Only to Contracts valued at more than \$25,000]

Contractor shall comply and facilitate compliance with U.S. DOT regulations, “Nonprocurement Suspension and Debarment,” 2 CFR Part 1200, which adopts and supplements the U.S. Office of Management and Budget (U.S. OMB) “Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” 2 CFR Part 180. These provisions apply to each contract at any tier of \$25,000 or more, and to each contract at any tier for a federally required audit (irrespective of the Contract amount), and to each contract at any tier that must be approved by an FTA official irrespective of the Contract amount. As such, Contractor shall verify that its principals, affiliates, and subcontractors are eligible to participate in this federally funded contract and are not presently declared by any federal department or agency to be: (i) debarred from participation in any federally assisted award; (ii) suspended from participation in any federally assisted award; (iii) proposed for debarment from participation in any federally assisted award; (iv) declared ineligible to participate in any federally assisted award; (iv) voluntarily excluded from participation in any federally assisted award; and/or (v) disqualified from participation in any federally assisted award. By submitting a response to UTA’s solicitation for the Contract, Contractor has certified that the foregoing items (i) through (v) are true. The certification in this clause is a material representation of fact relied upon by UTA. If it is later determined by UTA that Contractor knowingly rendered an erroneous certification, in addition to other remedies available that may be available to UTA, the federal government may pursue available remedies, including but not limited to suspension and/or debarment. Contractor agrees to comply with the requirements of 2 CFR Part 180, subpart C, as supplemented by 2 CFR Part 1200, during the Contract term. Contractor further agrees to include a provision requiring such compliance in its lower tier covered transactions.

**DISADVANTAGED BUSINESS ENTERPRISES**

(1) **FTA Policy** – The Contract is subject to 49 CFR Part 26. Therefore, Contractor must satisfy the requirements for DBE participation as set forth herein. These requirements are in addition to all other equal opportunity employment requirements of the Contract. UTA shall make all determinations with regard to whether or not Contractor is in compliance with the requirements stated herein.

(2) **Nondiscrimination** – Neither Contractor nor any subcontractor shall discriminate on the basis of race, color, national origin, or sex in the performance of the Contract. Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of FTA-assisted contracts. Failure by Contractor to carry out these requirements is a material breach of the Contract, which may result in the termination of the Contract or such other remedy as UTA deems appropriate, which may include, but is not limited to: (i) withholding monthly progress

payments in whole or in part; (ii) assessing any liquidated damages as may be provided in the Contract; (iii) requiring Contractor to stand-down with respect to the Work (without an increase in the Contract cost or an adjustment to the Contract schedule) until Contractor achieves compliance with respect to these requirements and/or (iv) disqualifying Contractor from future participation in UTA contracts.

(3) **DBE Goals and Good Faith Efforts** – The national goal for participation of Disadvantaged Business Enterprises (DBE) is 10%. No separate contract goal has been set for the Phase 1 construction Services Agreement. If UTA executes the Phase 2 Construction Services Amendment, a contract goal of 6% will apply to the Phase 2 work. If a separate contract goal for DBE participation has been established for the Contract, it is listed in the solicitation documents that have been incorporated into the Contract. Contractor is required to document sufficient DBE participation to meet the applicable goal. If Contractor is unable to meet the applicable goal, Contractor must alternatively document adequate good faith efforts to meet the DBE Goal. The types of actions that the UTA will consider as part of the Bidder/Offeror's good faith efforts include, but are not limited to, the following: (i) Contractor's attendance at a pre-bid meeting (as applicable) scheduled by UTA to inform DBEs of subcontracting opportunities; (ii) advertisement of subcontracting opportunities in general circulation media, trade association publications, and minority-focus media; (iii) written notification to capable DBEs that their interest in the Contract is solicited; (iv) documentation of efforts to negotiate with DBEs for specific subcontracts including the names, addresses, and telephone numbers of DBEs that were contacted and the date(s) of contact, a description of the information provided to DBEs regarding the work to be performed and a statement explaining why additional agreements with DBEs were not reached; (v) for each DBE Contractor contacted but rejected as unqualified, the reason for Contractor's conclusion; (vi) documentation of efforts made to assist the DBEs contacted that needed assistance in obtaining required bonding or insurance; (vii) documentation of efforts to utilize the services of small business organizations, community and contractor groups to locate qualified DBEs; (viii) documentation of Contractor's efforts to break out Contract work items into economically feasible units in fields where there are available DBE firms to perform the work; (ix) evidence that adequate information was provided to interested DBEs about the plans, specifications and requirements of the Contract, and that such information was communicated in a timely manner; and (x) documentation of any efforts made to assist interested DBEs in obtaining necessary equipment, supplies, materials or related assistance or services.

(4) **Race-Neutral Procurements** – If no separate contract goal has been established, the successful bidder/offeree will be required to report its DBE participation obtained through race-neutral means throughout the period of performance.

(5) **Verification of Compliance** – Contractor shall assist UTA in verifying compliance with the DBE requirements of the Contract by submitting status reports itemizing payments to all DBEs with each monthly request for payment. Upon Contract completion, Contractor shall submit a summary of payments, by subcontract, made to all subcontractors to UTA's Civil Rights Compliance Officer.

(6) **Prompt Payment of Subcontractors** – Contractor is required to pay all of its subcontractors performing work related to the Contract for satisfactory performance of that work no later than 30 days after Contractor's receipt of payment for that work from UTA. In addition, Contractor may not hold retainage from its subcontractors or must return any retainage payments to those subcontractors within 30 days after the subcontractor's work related to the Contract is satisfactorily completed or must return any retainage payments to those subcontractors within 30 days after incremental acceptance of the subcontractor's work by UTA and Contractor's receipt of the partial retainage payment related to the subcontractor's work. The failure to make prompt payment to subcontractors as required above shall constitute a material breach of the Contract and shall give rise to remedies including, without limitation, the Authority's right to withhold amounts payable to the Contract and make direct payments (including interest) to subcontractors.

(7) **Termination of a DBE Subcontractor** – Contractor shall not terminate any DBE subcontractor identified in the Contract (or Contractor's response to the Contract solicitation) without UTA's prior written consent. UTA may provide such written consent only if Contractor has good cause to terminate the DBE subcontractor. Before transmitting a request to terminate, Contractor shall give notice in writing to the DBE subcontractor of its intent to terminate and the basis for the termination. Contractor shall give the DBE subcontractor five days to respond to the notice and advise of the reasons why the DBE subcontractor believes there is not good cause to terminate the subcontract. When a subcontract with the DBE subcontractor is terminated or when a DBE subcontractor fails to complete its work on the Contract for any reason, Contractor shall make good faith efforts to find another DBE subcontractor to substitute for the original DBE subcontractor and immediately notify UTA in writing of its efforts to

replace the original DBE subcontractor. These good faith efforts shall be directed at finding another DBE to perform at least the same amount of work under the Contract as the DBE subcontractor whose subcontract was terminated, to the extent needed to meet the applicable goal.

### **ENERGY CONSERVATION**

Contractor shall comply with mandatory standards and policies relating to energy efficiency, stated in the state energy conservation plan issued in compliance with the Energy Policy & Conservation Act.

### **FALSE STATEMENTS OR CLAIMS CIVIL AND CRIMINAL FRAUD**

Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 USC 3801 et seq. and USDOT regulations, "Program Fraud Civil Remedies," 49 CFR 31, apply to its actions pertaining to this project. Upon execution of the Contract, Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the Contract or FTA assisted project for which the Contract work is being performed. In addition to other penalties that may be applicable, Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submittal, or certification, the US Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act (1986) on

Contractor to the extent the US Government deems appropriate.

Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the federal government under the Contract, the federal government reserves the right to impose the penalties of 18 USC §1001 and 49 USC §5323(l) on Contractor, to the extent the federal government deems appropriate.

Contractor shall include the above two clauses in each subcontract financed in whole or in part with FTA assistance. The clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

### **FLY AMERICA REQUIREMENTS [Applicable Only to Contracts Involving Transportation of Persons or Property, by Air between the U.S. and/or Places Outside the U.S.]**

Contractor shall comply with 49 USC 40118 (the "Fly America" Act) in accordance with General Services Administration regulations 41 CFR 301-10, stating that recipients and subrecipients of federal funds and their contractors are required to use US Flag air carriers for US Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a US flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. Contractor shall include the requirements of this section in all subcontracts that may involve international air transportation.

### **INCORPORATION OF FTA TERMS**

The Contract includes certain Standard Terms and Conditions required by the FTA, whether or not expressly stated in the Contract. All FTA-required contractual provisions, as stated in 2 CFR Part 200 or FTA Circular 4220.1F, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in the Contract. Contractor shall not perform any act, fail to perform any act, or refuse to comply with any request that would cause UTA to be in violation of FTA terms and conditions.

### **LOBBYING [Applicable Only to Contracts valued at more than \$150,000]**

Byrd Anti-Lobbying Amendment, 31 USC 1352, as amended by the Lobbying Disclosure Act of 1995, P.L. 104-65 [to be codified at 2 USC §1601, et seq.] – Contractors who apply or bid for an award of \$150,000 or more shall file

the certification required by 49 CFR Part 20, "New Restrictions on Lobbying." Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant or any other award covered by 31 USC 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-federal funds with respect to that federal contract, grant or award covered by 31 USC 1352. Such disclosures are forwarded from tier to tier up to UTA.

### **NO FEDERAL GOVERNMENT OBLIGATIONS TO THIRD PARTIES**

UTA and Contractor acknowledge and agree that, notwithstanding any concurrence by the federal government in or approval of the solicitation or award of the underlying Contract, absent the express written consent by the federal government, the federal government is not a party to the Contract and shall not be subject to any obligations or liabilities to UTA, Contractor or any other party (whether or not a party to the Contract) pertaining to any matter resulting from the Contract. Contractor agrees to include the above clause in each subcontract financed in whole or in part with federal assistance provided by the FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

### **RECYCLED PRODUCTS**

Contractor agrees to provide a preference for those products and services that conserve natural resources, protect the environment, and are energy efficient by complying with and facilitating compliance with Section 6002 of the Resource Conservation and Recovery Act, as amended, 42 USC §6962, and U.S. Environmental Protection Agency (U.S. EPA), "Comprehensive Procurement Guideline for Products Containing Recovered Materials," 40 CFR Part 247.

### **RESOLUTION OF DISPUTES, BREACHES AND OTHER LITIGATION**

UTA and Contractor intend to resolve all disputes under the Contract to the best of their abilities in an informal manner. To accomplish this end, the parties will attempt to resolve disputes through communications between their respective staffs, and, if resolution is not reached at that level, a procedure for review and action on such disputes by appropriate management level officials within UTA and Contractor's organization.

Unless otherwise directed by UTA, Contractor shall continue performance under the Contract while matters in dispute are being resolved.

Unless the Contract provides otherwise, all claims, counterclaims, disputes and other matters in question between UTA and Contractor arising out of or relating to the Contract or its breach will be decided by alternative dispute resolution if the parties mutually agree, or in a court of competent jurisdiction within the State of Utah.

Duties and obligations imposed by the Contract and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by UTA or Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

### **SEISMIC SAFETY** [Applicable Only to Contracts Involving Construction of new buildings or additions to existing buildings]

Contractor agrees that any new building or addition to an existing building shall be designed and constructed in accordance with the standards required in USDOT Seismic Safety Regulations 49 CFR 41 and shall certify compliance to the extent required by the regulation. Contractor shall also ensure that all work performed under the Contract, including work performed by subcontractors, complies with the standards required by 49 CFR 41 and the certification of compliance issued on the project.

### **TERMINATION**

Upon ten (10) days' written notice to Contractor, UTA may, for its convenience and without cause, elect to terminate the Contract. If UTA terminates the Contract for its convenience, UTA shall pay Contractor for that portion of the work performed up to the date of the notice of termination, plus Contractor's actual, reasonable and documented costs attributable to the termination, including those incurred to terminate applicable subcontracts and leases, but excluding consequential damages, which includes, but is not limited to, lost profits and/or opportunity costs associated with the terminated portion of the work.

If Contractor materially fails to perform any of its obligations under the Contract, and such failure is not cured within ten (10) days of written notice from UTA identifying the breach, then UTA may terminate the Contract by delivering to Contractor a Notice of Termination specifying the nature of the default. In such event, UTA may take over the work and complete it by contract or otherwise, and may take possession of and use any materials, appliances and equipment on the work site necessary for completing the work. Contractor and its sureties shall be liable for any damages to UTA resulting from Contractor's refusal or failure to complete the work within specified time, whether or not Contractor's right to proceed with the work is terminated. Notwithstanding the foregoing, no cure period shall be required if Contractor's default is due to its failure to satisfy any legal requirement concerning workplace safety or environmental compliance, or if Contractor's action(s) and/or omission(s) materially jeopardize safety.

Accept Terms of Clauses \_\_\_\_\_ Date \_\_\_\_\_ Company Name \_\_\_\_\_ Federal I.D. No. \_\_\_\_\_

**2021 TECHNICAL BUDGET ADJUSTMENT  
October 27, 2021**

<b>Funding Sources</b>	2021 Budget as amended R2021-06-01	UTA Funds	Salt Lake Redevelopment Agency Funding	TTIF/Federal	Fund Balance	Box Elder Revenues	Amended 2021 Budget
Transfer from Operations	\$ 77,650,773				\$ -		\$ 77,650,773
2018 and 2019 Bond Proceeds	51,256,000						51,256,000
Grants	75,793,000						75,793,000
Local Partner Contributions	27,747,727						27,747,727
State Contribution	12,464,000						12,464,000
Leasing	18,059,000						18,059,000
<b>Total Funding Sources</b>	<b>\$ 262,970,500</b>			\$ -	\$ -	\$ -	<b>\$ 262,970,500</b>
<b>Expense</b>							
Depot District	\$ 32,400,000						\$ 32,400,000
Ogden/Weber BRT	52,581,000						52,581,000
Airport Station Relocation	7,000,000						7,000,000
State of Good Repair	23,625,000						23,625,000
Frontrunner Paint Booth	429,500						429,500
650 South Main St. TRAX Station	2,688,127						2,688,127
<i>Tooele Bus Facility Renovation</i>	967,751	400,000					1,367,751
<i>Capital Contingency</i>	1,311,873	(400,000)					911,873
Other Capital Projects	141,967,249						141,967,249
<b>Total Expense</b>	<b>\$ 262,970,500</b>	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 262,970,500</b>

Footnote:



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** Dave Hancock, Acting Chief Service Development Officer  
**PRESENTER(S):** Jared Scarbrough, Acting Director of Capital Construction

**TITLE:**

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**Change Order: TDX System Maintenance - Change Order No. 3 TDX Unidirectional Gateway Network Security Solution (Modern Communications Systems)**

**AGENDA ITEM TYPE:**

Procurement Contract/Change Order

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**RECOMMENDATION:**

Approve and authorize execution of Change Order No. 3 and associated disbursements for the TDX 3.0 Upgrade Contract with Modern Communications Systems (MCS) for a value of \$348,369 to modernize UTA's Operations Network.

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**BACKGROUND:**

UTA has an existing contact with Modern Communications System to upgrade TDX to version 3.0 on both TRAX and Frontrunner. This contract was awarded to MCS in December of 2019. This contract is for three years and includes work on both the TRAX Light Rail system and the FrontRunner commuter Rail system.

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**DISCUSSION:**

UTA Staff is requesting approval of Change Order #003 with MCS. To modernize the UTA Operations Technology (OT) Network and to gain benefits from the TDX 3.0 upgrade, UTA requires a secure way to access the OT Network (via the UTA Business Network) to create reports, generate automatic emails, and implement safety improvements. The OT network is currently secured using an air-gap method, which completely isolates the OT Network from the business Network. To maintain the air-gap equivalent security on the OT network, UTA needs to implement a system that allows information to only pass in one direction via a unidirectional gateway. This will ensure the security of the OT network and maintains an air-gap equivalency. This unidirectional gateway will also allow reports and emails to be sent from the OT network for trouble shooting and safety purposes. UTA Systems Engineering and IT departments have jointly agreed to use a system with a unidirectional gateway between the two networks. This security solution will be required on both the TRAX

and FrontRunner systems.

The price of this Change Order No. 3, at a value of \$348, 369, has been determined to be fair and reasonable based on evaluation of the itemized cost build-up and also an Independent Cost Estimate which came in at \$380,050, or 19% higher. It is expected that the work included in this change order will be completed by December 31, 2021.

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**CONTRACT SUMMARY:**

<b>Contractor Name:</b>	Modern Communications Systems
<b>Contract Number:</b>	19-03174-3
<b>Base Contract Effective Dates:</b>	Dec 1, 2019 through December 1, 2022
<b>Extended Contract Dates:</b>	N/A
<b>Existing Contract Value:</b>	\$4,661,070
<b>Amendment Amount:</b>	\$348,369
<b>New/Total Amount Contract Value:</b>	\$5,009,439
<b>Procurement Method:</b>	Negotiated Change Order to Maintenance Service Contract which was competitively awarded.
<b>Funding Sources:</b>	2021 SGR403 Budget

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**ALTERNATIVES:**

The “Do Nothing Alternative” will prevent UTA from modernizing the OT Network and gaining associated benefits from the TDX 3.0 upgrade.

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**FISCAL IMPACT:**

This budget is included in the 2021 Capital Program, under SGR 403.

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**ATTACHMENTS:**

1) - Change Order #003 for a TDX 3.0 Upgrade Contract PCO #003 - TDX Unidirectional Gateway Network Security Solution (Modern Communications Systems)

**Utah Transit Authority**  
 669 West 200 South  
 Salt Lake City, Utah 84101  
 Phone: (801) 741-8885  
 Fax: (801) 741-8892



CHANGE ORDER

No. 3

ITILE: TDX Unidirectional Gateway Network Security Solution  
 PROJE ODE: SGR403 - Train Control Rehab & Replacement  
 TO: Modern Communications Systems  
 ATTN: Brandon Wise

DA E: 9/17/2021  
 This is a change order to ON RACT No: 19-03174

DESCRIPTION OF CH GE: Brief scope, references to scope defining documents such as RFIs, submittals, specified drawings, exhibits, etc.

To modernize the UTA Operations Network (OT Network) and to gain benefits from the TDx 3.0 upgrade, UTA requires a secure way to access the OT Network (via the UTA Business Network) to create reports and generate automatic emails. The OT network is currently secured using an air-gap method. In order to maintain the air-gap equivalent security and access the OT network, UTA needs to implement a system that allows information to only pass in one direction via a unidirectional gateway. This will ensure the security of the OT network maintains an "air-gap" equivalency and allow reports and emails to be sent from the OT network. UTA decided to use a system with a unidirectional gateway between the 2 networks. This security solution will be required on both the TRAX and Frontrunner systems.  
 Total Change Order amount: \$348,369

Direction or Authorization to Proceed (D P) previously executed: YES \_\_\_ NO X

It is mutually agreed upon, there is a schedule impact due to this Change order: YES \_\_\_ NO X

The amount of any adjustment to time for Substantial Completion and/or Guaranteed Completion or Contract Price includes all known and stated impacts or amounts, direct, indirect and consequential, (as of the date of this Change Order) which may be incurred as a result of the event or matter giving rise to this Change Order. Should conditions arise subsequent to this Change Order that impact the Work under the Contract, including this Change Order, and justify a Change Order under the Contract, or should subsequent Change Orders impact the Work under this Change Order, UTA or the Contractor may initiate a Change Order per the General Provisions, to address such impacts as may arise.

Current Change Order		Contract		Schedule	
Lump Sum:	\$348,369	Original Contract Sum:	\$4,621,707	Final Completion Date Prior to This Change:	12/31/2021
Unit Cost:	-	Net Change by Previously Authorized Changes:	\$223,802	<b>Contract Time Change This Change Order (Calendar Days):</b>	<b>0</b>
Cost Plus:	-	<b>Previous Project Total:</b>	<b>\$4,845,509</b>	Final Completion Date as of This Change Order:	12/31/2021
<b>Total:</b>	<b>\$348,369</b>	Net Change This Change Order:	\$348,369		
		<b>Current Project Total:</b>	<b>\$5,193,878</b>		

ACCEPTED:

By: DocuSigned by: Dan Meservey  
 Date: 10/12/2021

**Brandon Wise**  
 Modern Communications Systems

By: \_\_\_\_\_  
 Date: \_\_\_\_\_  
**Jared Scarbrough**  
 Project Manager <\$10,000

By: \_\_\_\_\_  
 Date: \_\_\_\_\_  
**Jared Scarbrough**  
 Acting Director of Capital Construction <\$50,000

By: \_\_\_\_\_  
 Date: \_\_\_\_\_  
**David Hancock**  
 Acting Chief Service Dev Officer <\$100,000

By: \_\_\_\_\_  
 Date: \_\_\_\_\_  
**Amanda Burton**  
 Procurement

By: DocuSigned by: Mike Bell  
 Date: 10/12/2021  
**Michael Bell**  
 Legal Review

By: \_\_\_\_\_  
 Date: \_\_\_\_\_  
**Mary DeLoretto**  
 Interim Executive Director >\$100,000



**Change Order Summary Worksheet**  
Previously Authorized Changes

<b>Contract</b>	<b>19-03174 MCS</b>
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Change Order No	Date	Amount of CO	Running Contract Total	Subject
Original Contract			\$4,621,707	
1	3/19/2021	\$39,363	\$4,661,070	TDX 3.0 Upgrade- Trax TPSS Disconnect Switch Additional IO Modules
2	9/17/2021	\$184,439	\$4,845,509	Champion TDX Changes
<b>Total to Date</b>		<b>\$ 223,802</b>		



8201 Southpark Lane  
Suite 200  
Littleton, CO 80120  
(303) 534-0866

[www.modrailsystems.com](http://www.modrailsystems.com)

September 15, 2021

PCO-0005

Jared B Scarbrough  
Manager, Systems Engineering  
Utah Transit Authority  
[JScarbrough@rideuta.com](mailto:JScarbrough@rideuta.com)

**Subject: Network Security Solution for TDX Version 3.0 - Change Order Proposal (UTA Contract 19-03174)**

Dear Mr. Scarbrough:

Modern Communications Systems (MCS) is pleased to provide this Change Order Proposal for the Scope of Work outlined below.

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### *Overview*

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The TDX system for FrontRunner and TRAX resides on UTA’s operational network, which is physically separated or “air gapped” from UTA’s business network. In order to modernize these networks and realize the benefits of TDX Version 3.0 ability to provide real-time visibility and reporting of operational data and improved worker safety, UTA’s operational network will need to have the ability to connect to the business network. However, with increased interconnectedness comes increased vulnerability to remote-based cyber threats which routinely bring critical operational networks offline and impact the affected company with decreased public confidence, decreased revenue generation capability, and increase costs to restore networks to full functionality.

In order for UTA to gain the advantages of having real-time visibility to operational data, efficiency gains and improved worker and customer safety while simultaneously maintaining the highest level of network security, MCS is proposing Waterfall’s patented Unidirectional Gateway technology as a solution on both the TRAX and FrontRunner networks. Waterfall Unidirectional Security Gateways provide absolute protection to control systems and operations networks from attacks originating on external networks meaning UTA can operate MRS TDXv3 software on their critical operational networks with full confidence with Waterfall’s technology in place.

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### *Network Security & Technical Requirements*

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The Waterfall Security solution will enable the TDXv3 software to securely accomplish the following technical requirements for UTA business network:

1. Maintain air-gap equivalent security for both TRAX and FrontRunner networks
2. Email TDX Alarm Notifications to UTA’s Business Network via SMTP
  - a. TDX will send remote alarm notifications to allow immediate notification of certain alarms to specific users (i.e. alarms that are security related to be routed to transit police, equipment failures to be routed

to MOW, and operational alarms to controllers). MRS will configure TDX to send alarm notifications via email

- b. Provide a secure connection from the email server to the TDX application servers
    - i. 2 Servers @ Trax
    - ii. 2 Servers @ FrontRunner
  - c. Allow only SMTP traffic from the TDX server to UTA's email server.
3. Email Notifications to Permit Holders Once a Permit is Activated in TDX via SMTP
- a. Send permits notifications to permit holders once the permit is activated in TDX allowing immediate notification to controllers and operators of work zone restrictions in place in order to improve the overall safety for dispatchers and maintenance of way workers while reducing the number of close call incidents along the alignments.
4. Access to TDX Reports from UTA's Business Network via Microsoft SQL Server Reporting Services
- a. Remote access to reports via a browser interface from any connected web-based device, helping to reduce the number of manhours that required to analyze data required for PTC reporting, a time-consuming effort.
  - b. Microsoft SQL Server Reporting Services to accept report request via a browser interface from any connected web-based device.
  - c. Major use case is for PTC Reporting needs on FrontRunner (time-consuming effort)
  - d. Provide a secure connection to each TDX Report & Utility Servers
    - i. 1 Server @ Trax
    - ii. 1 Server @ FrontRunner
  - e. Allow TDX Report & Utility Server to provide data via Microsoft SQL server's report services.
5. Minimal impact on UTA personnel to operate/maintain.
6. Enable on-call vendor support to TDX.
7. Facilitate seamless integration of future use cases

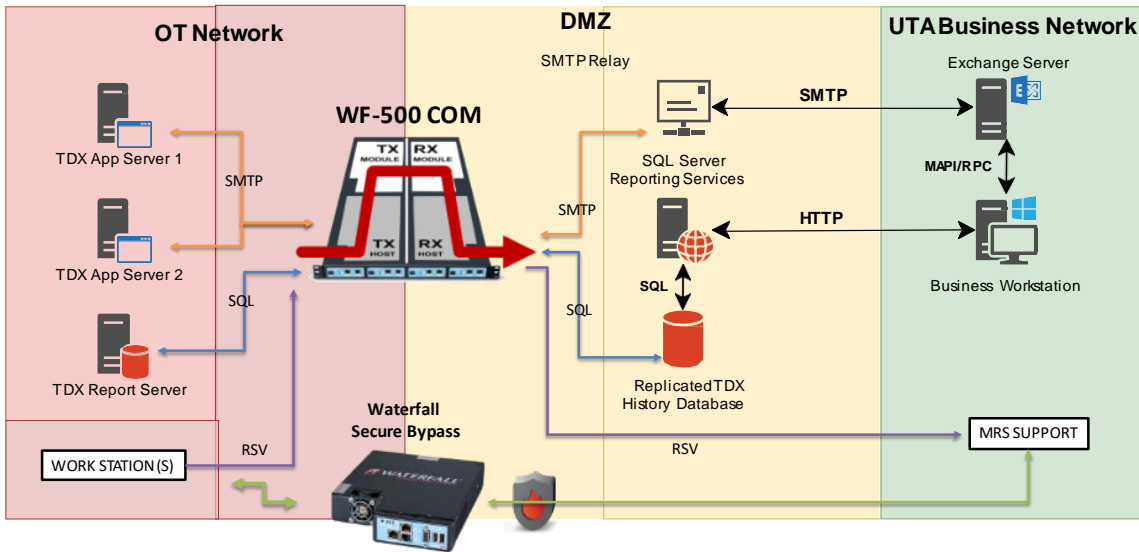
## Network Security Solution & Scope of Work

### Solution Overview & Description of Work

The diagram below depicts the network architecture at FrontRunner (Warm Springs) and TRAX (Jordan River) control centers. The security solution for UTA’s operational networks consists of a WF500 Unidirectional Security Gateway and a Secure Bypass, providing absolute protection to UTA’s operations networks.

The scope of this change includes all work to furnish, install, configure and test and deploy the proposed Waterfall security solution at the designated asset locations (Warm Springs and Jordan River OCC).

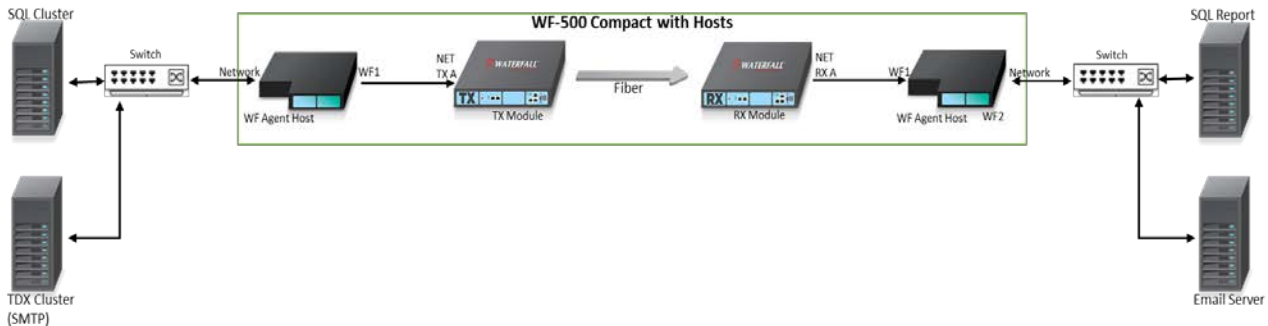
Service will also include Waterfall administration training and how to engage Waterfall support training.



### Hardware Solution

#### WF-500-COM

The Waterfall solution is based upon the WF500 Unidirectional Security Gateway (USG) “COMPACT”. The WF-500 COMPACT consists of 1 x ea 1U rack mount devices. It contains all the Tx and Rx functions built within a single chassis which includes the TX gateway module (the laser), the TX host upon which the data specific connector will be installed, the RX gateway module (the photocell receiver), the RX host upon which the data specific connector will be installed, redundant power supplies and redundant cooling fans. This device is industrial grade, high speed Unidirectional gateways. All network interfaces provide 1Gbps data throughput and are designed to support multiple data types on a single USG. Mean time before failure (MTBF) of the TX and RX module is 500,000 hours. The proposed solution is depicted in the following figure:



The figure above illustrates:

1. Each Waterfall WF-500 Compact device consists of a 1-u rack-mount cabinet with four power supplies, a TX Agent, a TX Module, an RX Agent and an RX Module
2. The WF-500 Compact is connected to the SCADA-Rail Network on the left side (TX side) and to the UTA Business Network from the right side (RX side)
3. On the SCADA-Rail Network, RJ45 cables (“copper”) connect the switch to the TDX and SQL cluster. An RJ45 cable (“copper”) connects the switch to Waterfall TX Agent
4. On the UTA Business Network, WF RX Agent is connected with an RJ45 cable (“copper”) to a second network switch. RJ45 cables (“copper”) connect the switch to the SQL Report server and Email server.

### **Secure Bypass**

The Waterfall Secure Bypass is typically deployed in parallel to the Waterfall Unidirectional Security Gateway. While the Secure Bypass is not active the gateway provides a 100% security to the protected network from online attacks originating from the external network. When activated the Secure Bypass enables a time-limited bi-directional connectivity to a Unidirectionally protected network, allowing central engineering teams to access control systems from time to time to apply security updates, Anti-virus signature updates and other routine changes and maintenance.

When the Secure Bypass unit is activated, the Secure Bypass Module electronically connects remote-access equipment to an external network. Since the Secure Bypass is deployed between a control network firewall and the corporate network, when the Secure Bypass is activated, a temporary connection to a control system firewall is enabled.

The bypass is activated by a physical key on the front panel, or via the Waterfall software on a dedicated work station. The module automatically disconnects again after a configurable interval, to eliminate the risk of forgetting to disable the emergency two-way connection when the emergency or support problem has been resolved. The Secure Bypass module augments Unidirectional Gateway solutions for emergency operations.

The Secure Bypass module is configured through a dedicated port. The connection and disconnection of networks through Secure Bypass is carried out via a hardware relay. When the networks are disconnected, there is no way a distant adversary can force the Secure Bypass unit to connect its networks. When connected, there is no attack a distant adversary can launch which can prevent the Secure Bypass controller from disconnecting the networks after a pre-set period.

### **Software Solution**

#### **Waterfall Monitoring Tool**

Waterfall Monitoring tool supervise and monitor the Waterfall gateway. The Waterfall console enables the user to supervise and monitor all critical processes of the Waterfall Gateway including:

- **Heartbeat** - The Heartbeat enables users to verify communication between the TX and RX servers.
- **Waterfall Alerter** - The purpose of the Waterfall Alerter is to alert the user to various events in the system. The service issues alerts based on entries which the user defines in the Waterfall Configuration GUI. Alerts can be sent by one or more of the alert channels like Syslog, SNMP, SMTP, etc.
- **Waterfall Logging** - Each Waterfall service generates and writes to a separate log file which is saved in the service directory. The Waterfall Configuration GUI enables the user to easily manage the logs according to their local policy.
- **Waterfall Watchdog Service** - Waterfall Watchdog service restarts the Waterfall services in case of a service failure.

**Waterfall for SMTP**

Waterfall for SMTP provides a standard SMTP/electronic mail server on a protected industrial network. The mail server receives electronic mail from mail clients, email-aware industrial systems, and other electronic mail servers on the industrial network.

- Safe, real-time replication of email
- Precise control over the destination of electronic mail messages
- Compatible with all SMTP-standard email clients and servers
- Modular, flexible, scalable, user-serviceable hardware

**Waterfall for MSSQL**

Waterfall for MSSQL databases is part of the Waterfall Unidirectional Security Gateways family of products. Waterfall uses a preparation tool to define and configure the tables which will be replicated on the source network, and also imports the settings to the destination MSSQL DB.

On the OT network the WF TX agent is an MSSQL client, The TX agent communicate with the MSSQL Server and receives the insert/update/delete actions of the records.

On the IT network, Waterfall acts as an MSSQL client, The RX WF MSSQL Client communicates with the IT MSSQL server, and updates the target tables with the records changes.

The replica database is maintained as a faithful, real-time replica of the original MSSQL database on the industrial network.

**Important Notes:**

- Waterfall does not change any data on the source MSSQL DB
- It is not allowed to change the DB on the RX side
- The connector supports records update only and not Schema changes

Each system (TRAX and FrontRunner) will replicate two SQL databases from their respective MSSQL Server 2019 Cluster sources. One is Config and the other is History. There are 75 tables in Config and 40 tables in History. Schema will be provided when appropriate. The Config database is fixed at 82MB, but History will grow to support 3 years data upwards to 250GB. It is anticipated that 50-200 commits per second will be replicated based on analog value changes from the field.

**Waterfall RSV**

Waterfall Remote Screen View (RSV) provides safe remote access for vendors of all levels of clearance for a site. RSV enables remote experts to see the screens of computers on industrial networks while the industrial site retains full control over any expert-recommended manipulations or changes to that system. The Waterfall RSV provides maximum viewing versatility needed for effective monitoring and operational processes evaluation. It enables multiple users to remotely view, in real-time, multiple screens located inside the industrial network. Different users located in distant locations, can view multiple screens simultaneously.

Waterfall RSV is an easy to install and maintain COTS solution. Users can access the screen feeds in standard web browsers.

- Screens from industrial computers are visible in external networks
- Screens are accessed by conventional browsers and video streaming
- Supports Windows OS
- Comprehensive diagnostics including real-time alerts to fault conditions via email, SNMP, log files and PI tags
- Broad manageability & control of replicated screens including refresh rate, video quality and activation mode
- SCADA managers can configure the Waterfall RSV to stream screens on demand

**Additional Data Connector Requirements:**

At this time there are no additional requirements to transport additional data protocols out of the protected enclaves, however the Waterfall USG will easily accommodate adding future connectors if/when the business need arises. No additional hardware will be required to add connectors should they be required. For a full list of available data connectors please review the following: <https://waterfall-security.com/solutions/>

Waterfall Security Solution - H/W & S/W Bill of Materials				
Item	Part No.	Product Name	Quantity	Description
1	WF-500-COM	Compact cabinet with TX and Host modules	2	Compact unidirectional gateway hardware on 1U chassis. Includes TX module, TX host, & redundant power and cooling
2	SQL	Waterfall for Microsoft SQLserver	2	Standard unidirectional gateway hardware on 1U chassis. Includes RX module, RX host, & redundant power and cooling
3	RSV	Waterfall for Remote Screen View	2	Waterfall for Remote Screen View. Unlimited client agent installations, one concurrent screen view, unlimited viewers.
4	SMTP	Waterfall for SMTP	2	Waterfall for SMTP. Any number of email clients.
5	WF-500-St-SBPA-SYS	Waterfall Secure Bypass	2	Waterfall Secure Bypass on 1U chassis.
6	WIN-SRV-2019	Windows Server 2019	4	Windows Server 2019 Operating System License. Required for each TX and RX and SBP host.
7	WF-INSTL	Waterfall Installation and Training Services	2	Waterfall installation and training services. On-site, FFP.

**Waterfall Product Support**

The scope of this change also includes a 5-year level warranty and “Standard” level support package and includes H/W module replacement and Waterfall S/W Connector minor releases as applicable consistent with Waterfall’s Service Level Agreement. Hardware component replacement is provided for where conditions warrant consistent with terms and conditions agreement.

Parameters	Standard Plan		Premium Plan	
Technical Assistance Center Availability	5 Business days / Mon to Fri 8:30 – 17:30		7 days / week 24H	
Response Time (Phone/Fax/Email)	Critical	1 business day	Critical	4 hours
	Major	1 business day	Major	1 business day
	Minor	5 business days	Minor	1 business day
Hardware Replacement Shipment Time	Critical	OSRH / 5 business days	Critical	OSRH / 1 business day
	Non Critical	OSRH / 15 days	Non Critical	OSRH / 15 days
Delivery Terms	DAP (named place of destination) Incoterms ® 2010		DAP (named place of destination) Incoterms ® 2010	
Software updates	Provision of all official patches, bug fixes and minor version releases		Provision of all official patches, bug fixes and minor version releases	
OSRH Service	Can be purchased separately			
On Site Professional Services	Can be purchased separately			

## MCS Labor and Materials

MCS will also furnish the following materials as requested by UTA:

Other Materials				
Item	Part No.	Product Name	Quantity	Description
1	WS-C3560CX-12PC-S	Cisco Catalyst 3560CX-12PC-S 12-Port Gigabit Ethernet Switch	2	Switch for UTA Business Network - Configured / Installed by UTA IT
2	CON-SNT-WSC312PC	Cisco SMARTnet Extended Service Agreement	2	
3	CAB-TA-NA	Cisco 8' 125 VAC Power Cable	2	
4	GLC-LH-SMD=	Cisco - SFP (mini-GBIC) transceiver module - GigE	4	
5	6TX01	Ruggedcom RX1500PN LM 6TX01 Line Module	1	Will Add 6 More Ports @ Warm Springs RC Switch
6	JL260A	HPE Aruba 2930F 48G 4SFP Managed Switch - 48 ports	1	New 48-Port HP Switch for OT Network @ Jordan River (Not Enough Available Ports)
7	N/A	RJ45 Copper Cables	10	

MCS will configure and install the new OT network equipment (HP switch and RJ45 card) at Jordan River and Warm Springs control centers. This proposal assumes MCS network tasks to enable the Waterfall solution will be reimbursed under the maintenance service agreement and has not included any costs for network labor in our pricing.

MCS has included 80 hours for Software Project Engineer for project interface engineering tasks associated with the Waterfall integration into TDX.

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### *CONSTRUCTION PHASING & SCHEDULE*

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- Delivery dates are approximately 6 working weeks after receipt of order.

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### *COMMERCIAL CLARIFICATIONS*

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1. MCS has **EXCLUDED** Sales Tax
2. MCS has **INCLUDED** Standard Insurances
3. MCS has **EXCLUDED** costs for Substation Test Support (under the MCS Systems On-Call contract)
4. F.O.B Salt Lake City, UT
5. Product warranty period commences at delivery date
6. Waterfall's warranty and service plans are detailed in Waterfall's SLA.
7. Waterfall's End User License Agreement (EULA) conditions apply. UTA must execute EULA with Waterfall
8. MCS has **EXCLUDED** Network labor. Assumes Network tasks to configure and install new OT network equipment will be reimbursed under the maintenance service agreement
9. Assumes new switches for UTA's Business Network will be configured and installed by UTA IT / Network personnel

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### *PRICING*

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Pricing for the above-mentioned scope is **\$ 348,368.84**. Please refer to the detailed estimate for breakdown of pricing for this change.

We appreciate this opportunity and look forward to helping make this project successful. If you have any questions, please do not hesitate to contact me.

Best regards,

A handwritten signature in black ink, appearing to read 'B. Wise'.

**Brandon Wise**  
Project Manager  
**Modern Communications Systems**  
bwise@modrailsystems.com

Attachments:

- Change Order Cost Estimate Worksheet – Network Security Solution for TDX Version 3.0

## UTA TDX Version 3.0 &amp; Substation Controls Upgrades

UTA Contract 19-03174

## PCO-0005 UTA Waterfall Security Solution for TDX Version 3.0 Upgrades

## Change Order Cost Estimate Worksheet



## SCOPE OF WORK FOR CHANGE ORDER

9/15/2021

- See Scope of Work in PCO-0005 Change Order Proposal (Dated 9/15/2021)
- 

## SUPPORTING DOCUMENTATION

- Waterfall Commercial Proposal (Rev 2.1 dated 8/13/2021)
- 
- 

<b>SUBCONTRACTORS</b>	<b>Qty</b>	<b>UoM</b>	<b>UP</b>	<b>Extended</b>
Compact cabinet with TX and Host modules	2	EA	\$ 13,860.00	\$ 27,720.00
Waterfall for Microsoft SQLserver	2	EA	\$ 40,635.00	\$ 81,270.00
Waterfall for Remote Screen View	2	EA	\$ 9,450.00	\$ 18,900.00
Waterfall for SMTP	2	EA	\$ 9,450.00	\$ 18,900.00
Waterfall Secure Bypass	2	EA	\$ 15,750.00	\$ 31,500.00
Windows Server 2019	4	EA	\$ 800.00	\$ 3,200.00
Waterfall Installation and Training Services	2	EA	\$ 3,750.00	\$ 7,500.00
Equipment Shipping and Handling	4	EA	\$ 125.00	\$ 500.00
5-Year Support Option	1	LS	\$ 90,928.00	\$ 90,928.00
<b>Subtotal Subcontractors</b>				<b>\$ 280,418.00</b>

<b>MATERIALS</b>	<b>Qty</b>	<b>UoM</b>	<b>UP</b>	<b>Extended</b>
Cisco Catalyst 3560CX-12PC-S 12-Port Gigabit Ethernet Switch	2	EA	\$ 1,399.72	\$ 2,799.44
Cisco SMARTnet Extended Service Agreement	2	EA	\$ 275.00	\$ 550.00
Cisco 8' 125 VAC Power Cable	2	EA	\$ 50.00	\$ 100.00
Cisco - SFP (mini-GBIC) transceiver module - GigE	4	EA	\$ 782.12	\$ 3,128.48
Ruggedcom RX1500PN LM 6TX01 Line Module	1	EA	\$ 445.31	\$ 445.31
HPE Aruba 2930F 48G 4SFP Managed Switch - 48 ports	1	EA	\$ 2,287.50	\$ 2,287.50
RJ45 Copper Cables	10	EA	\$ 25.00	\$ 250.00
				\$ -
<b>Subtotal Materials</b>				<b>\$ 9,560.73</b>
			<b>Freight on Material</b>	<b>5.00% \$ 478.04</b>
			<b>Tax on Material (UT)</b>	<b>0.00% \$ -</b>
<b>Total Materials incl Freight &amp; Tax</b>				<b>\$ 10,038.77</b>

<b>LABOR</b>	<b>Qty</b>	<b>UoM</b>	<b>UP</b>	<b>Extended</b>
<b>Indirect Labor</b>				
Sr. Project Manager	0	HR	\$ 162.00	\$ -
Project Manager	40	HR	\$ 122.15	\$ 4,886.00
Manager of TDX	20	HR	\$ 158.82	\$ 3,176.40
Signal Test Manager	0	HR	\$ 131.00	\$ -
Document Control Specialist	2	HR	\$ 56.00	\$ 112.00
Contract Coordinator	10	HR	\$ 62.00	\$ 620.00
Scheduler	4	HR	\$ 85.91	\$ 343.64
				\$ -
<b>Subtotal Indirect Labor</b>				<b>\$ 9,138.04</b>
<b>Direct Labor</b>				
Sr. Software Engineer	0	HR	\$ 143.57	\$ -
Software Engineer	0	HR	\$ 51.41	\$ -
Software Project Engineer	80	HR	\$ 81.91	\$ 6,552.80
Comm Engineer	0	HR	\$ 110.30	\$ -
Signal Test Engineer	0	HR	\$ 111.00	\$ -
CADD Technician	0	HR	\$ 53.23	\$ -
				\$ -
<b>Subtotal Direct Labor</b>				<b>\$ 6,552.80</b>

<b>EQUIPMENT</b>	<b>Qty</b>	<b>UoM</b>	<b>UP</b>	<b>Extended</b>
1-Ton Crew Truck	0	HR	\$ 22.39	\$ -
1/2-Ton Crew Truck	0	HR	\$ 18.00	

**Subtotal Equipment \$ -**

<b>TRAVEL &amp; PER DIEM</b>	<b>Qty</b>	<b>UoM</b>	<b>UP</b>	<b>Extended</b>
T&E - Project Management	0	Man-Weeks	\$ 2,000.00	\$ -
T&E - Engineering / TDX	0	Man-Weeks	\$ 2,000.00	\$ -
T&E - Testing	0	Man-Weeks	\$ 2,000.00	\$ -
T&E - Other	0	LS		\$ -

**Subtotal T&E \$ -**

<b>TOTALS</b>	<b>Pct</b>	<b>Basis</b>	<b>Extended</b>
<b>Subtotal Direct Costs</b>			<b>\$ 299,594.81</b>
<b>Contingency</b>	1%	\$ 299,594.81	<b>\$ 2,995.95</b>
<b>Insurance</b>	1%	\$ 299,594.81	<b>\$ 2,995.95</b>
<b>Subtotal Cost with Contingency &amp; Insurance</b>			<b>\$ 305,586.70</b>
<b>Fee</b>	14%	\$ 305,586.70	<b>\$ 42,782.14</b>
<b>Subtotal Cost with Contingency &amp; Insurance</b>			<b>\$ 348,368.84</b>



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** David Hancock, Acting Chief Service Development Officer  
**PRESENTER(S):** Kyle Stockley, Rail Infrastructure Project Manager

**TITLE:**

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**Change Order: Tire Lease Program Extension (Michelin)**

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**AGENDA ITEM TYPE:**

Procurement Contract/Change Order

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**RECOMMENDATION:**

Approve and authorize Executive Director to execute two one-year options and their associated disbursements on the Michelin Tire Lease contract in the amount of \$3,690,000.

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**BACKGROUND:**

UTA is under contract with Michelin to provide tire leasing and services for all UTA buses at the Meadowbrook, Central, Mt. Ogden, Timpanogos, and Riverside business units. Tires are leased per tire mile and Michelin provides all the tire servicing as part of the contract.

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**DISCUSSION:**

Michelin has provided good products and reliable service for the life of this contract. Although there have been a few minor hiccups recently due to labor shortages it would not make sense to rebid this contract. Rebidding also carries a risk of increased cost due to rising inflation. Extending the contract appears to be the lower risk option in the current situation.

The \$3,690,000 for the option years is an estimate based off the monthly invoices paid to Michelin for this contract (which average about \$150,000). All pricing is based on mileage and that is why it is an estimate.

The pricing sheet attached to the Option Year Memo will not add up to the \$3,690,000 but is the basis for figuring out what the charges will be for the month based on mileage reported.

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**CONTRACT SUMMARY:**

Contractor Name:	Michelin
Contract Number:	18-2595PP
Base Contract Effective Dates:	11/30/18 thru 11/30/21
Extended Contract Dates:	Two optional 1-year extensions to 11/30/23
Existing Contract Value:	\$5,085,652.17
Amendment Amount:	\$3,690,000 estimated - based on miles driven
New/Total Amount Contract Value:	\$8,775,652.17
Procurement Method:	Options on existing contract
Funding Sources:	Local

**ALTERNATIVES:**

Let contract expire and re-bid.

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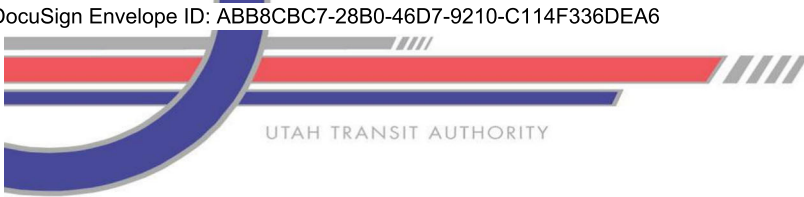
**FISCAL IMPACT:**

Costs for this contract are included in the operations budget.

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**ATTACHMENTS:**

Change Order: Tire Lease Program Extension (Michelin)



UTAH TRANSIT AUTHORITY

Contract 18-2595PP  
Bus Tire Lease Services

## NOTICE OF OPTION EXERCISE

Michelin North America, Inc  
Attention: Carmel Novak  
[Carmel.novak@michelin.com](mailto:Carmel.novak@michelin.com)

September 10, 2021

### Contract 18-2595PP Notice of **Option Exercise**:

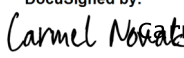
This is notice that UTA intends to exercise option years one and two under Contract 18-2595PP.

By signing below, Contractor acknowledges UTA's exercise of option years one and two and agrees to the terms described below:

1. UTA is exercising the First and Second option Years. The contract term is hereby extended through November 31, 2023.
2. Option Year pricing as shown in Exhibit A and attached service price adjustment proposal and are hereby accepted.
3. All other terms and conditions remain unchanged.

Agreed to as of the date written above.


### MICHELIN NORTH AMERICA:

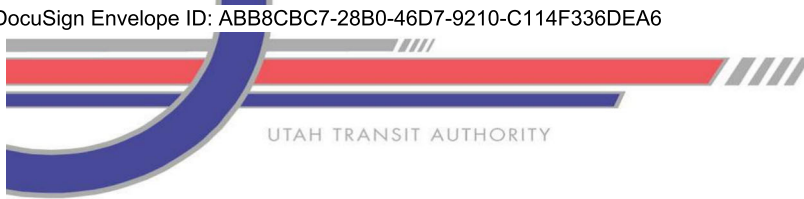
DocuSigned by:  
  
 Carmel Novak  
 Name: Carmel Novak  
 Title: Director of Sales - services & solutions

### UTAH TRANSIT AUTHORITY:

\_\_\_\_\_  
 Mary DeLoretto  
 Interim Executive Director

\_\_\_\_\_  
 Eddy D. Cumins  
 Chief, Operating Officer

DocuSigned by:  
  
 Mike Bell  
 Name: Michael Bell  
 Title: Assistant Attorney General

**Pricing Option #1:**

<b>Lease of Tires with Service:</b>							
<i>This is UTAs best estimate of annual bus miles to be covered by this contract, by tire size, and may change</i>							
Group	Tire Size	Estimates Annual Miles	Number of Wheels	Dec 2021-2022 Annual Single Tire Rate	Estimated 2021-2022 annual lease	Dec 2022-2023 Annual Single Tire Rate	Estimated annual lease
1	275/70R X 22.5	60,000	6	\$0.00803	\$2,890.80	\$0.00843	\$3,034.80
2	305/85R X 22.5	12,474,000	6	\$0.00830	\$621,205.68	\$0.00872	\$652,639.68
3	12R X 22.5	2,016,000	6	\$0.00830	\$100,396.80	\$0.00872	\$105,477.12
4	305/70R 22.5	1,218,000	10	\$0.00666	\$81,118.80	\$0.00699	\$85,138.20
5	305/70R 22.5	560,000	6	\$0.00666	\$22,377.60	\$0.00699	\$23,486.40
6	315/80R 22.5	2,646,000	8	\$0.00573	\$121,292.64	\$0.00602	\$127,431.36
7	225/75R 16.0	3,510,000	6	\$0.00349	\$73,499.40	\$0.00366	\$77,079.60

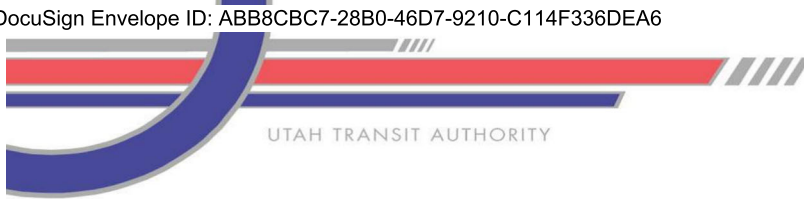
**Monthly Tire Service Charge:**

589 Buses= \$3,660 Total Tires (Group 1-5,7 have 6 tires ea, Group 4 has 10, Group 6 has 8)

Date option price begins	Meadowbrook		Central		Ogden		Timp		Riverside	
	Per Month	Annual	Per Month	Annual	Per Month	Annual	Per Month	Annual	Per Month	Annual
Dec 1, 2021	\$47,635	\$571,620	\$5104	\$61,245	\$5,104	\$61,245	\$5,104	\$61,245	\$5,104	\$61,245
Dec 1, 2022	\$50,015	\$600,180	\$5,359	\$64,305	\$5,359	\$64,305	\$5,359	\$64,305	\$5,359	\$64,305
Dec 1, 2023	\$52,518	\$630,210	\$5,627	\$67,523	\$5,627	\$67,523	\$5,627	\$67,523	\$5,627	\$67,523

**Cost Per 32nd of an inch of thread:**

Tire Size	Cost
275/70R X 22.5	\$27.50
305/85R X 22.5	\$36.50
12R X 22.5	\$36.50
305/70R 22.5	\$35.15
225/75R 16.0	\$10.25
315/80R 22.5	\$40.25

**Purchase price of retreadable tire casings owned by UTA:**

*Value of casing is based on 1) purchasing a "virgin" never capped casing manufactured by supplier, 2) payment and/or credit is issued after integrity of casing is approved by retreader*

Tire Size	Purchase Price ea
275/70R X 22.5	\$25.00
305/85R X 22.5	\$40.00
12R X 22.5	\$40.00
305/70R 22.5	\$50.00
225/75R 16.0	\$0.00
315/80R 22.5	\$50.00

**Aluminum Wheel Cleaning:**

Year	Estimated Qty:	Estimated Total
Dec 1, 2021	1,316	\$21,714.00
Dec 1, 2022	1,408	\$24,288.00
Dec 1, 2023	1,506	\$27,108.00

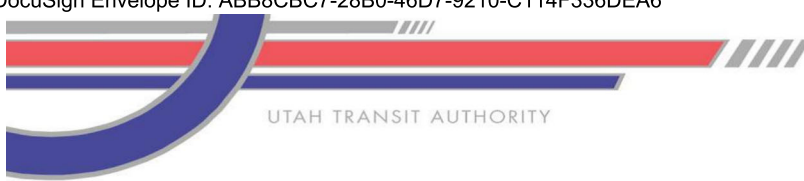
**Commercial Wheel Maintenance**

Year	Estimated Qty:	Estimated Total
Dec 1, 2021	415	\$13,072.50
Dec 1, 2022	386	\$12,738.00
Dec 1, 2023	359	\$12,385.50

**Re-Torquing**

Year	Estimated Qty:	Estimated Total
Dec 1, 2021	5,152	\$18,032.00
Dec 1, 2022	5,512	\$19,843.20
Dec 1, 2023	5,898	\$22,412.40

**Tire Weights:** Tire weights will be purchased from UTA and a credit in the amount of - \$2,008.00 will be provided.



**MICHELIN NORTH AMERICA, INC**  
 Michelin Fleet Solutions, Tire Leasing  
 One Parkway South  
 P.O. Box 19001  
 Greenville, SC 29602-9001  
 Phone: 1-864-458-5000

March 4, 2021

**UTAH TRANSIT AUTHORITY**  
 669 West 200 South  
 Salt Lake City, UT, 84101  
**Attn: Kyle Stockley,**  
**Manager Vehicle Overhaul & Bus Support**

**SUBJECT:**  
**Service Price Adjustment Proposal**

Mr. Stockley,

The purpose of this letter is to propose an amendment to the current Agreement between Michelin North America and Utah Transit Authority (UTA) dated December 1, 2018, contract number UT-18-2595PP.

As a result of the service personnel reduction of one (1) Michelin fleet operator, this letter proposes that Michelin shall decrease the monthly service price amount in the amount of \$5,345.00 per month to Michelin. All other provisions, terms and conditions of the Agreement shall remain unchanged.

**Michelin proposes the below rates adjustments:**

Contract Term	Current Contract Rate	Proposed Contract Rate Adjustment
March 1, 2021 – November 30, 2021	\$ 68,051.00	\$ 62,706.00
December 1, 2021 – November 30, 2022	\$ 71,331.00	\$ 65,986.00
December 1, 2022 – November 30, 2023	\$ 75,026.00	\$ 69,681.00

At your earliest convenience, please respond to this email / letter to let us know if UTA agrees with this rate change or if there are any questions or concerns.

Regards,

Dan O'Brien



# Utah Transit Authority

669 West 200 South  
Salt Lake City, UT 84101

## MEETING MEMO

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** Kim Shanklin, Chief People Officer  
**PRESENTER(S):** Greg Gerber, Talent Acquisition Director

**TITLE:**

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**Change Order: Applicant Tracking System Contract Extension (JobVite)**

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**AGENDA ITEM TYPE:**

Procurement Contract/Change Order

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**RECOMMENDATION:**

Approve and authorize the Executive Director to execute the contract extension and associated disbursements with JobVite for the Applicant Tracking System in the amount of \$388,318.

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**BACKGROUND:**

An applicant tracking system is a software application system that helps organizations manage the talent acquisition process. There are thousands of applicant tracking systems (ATS) available in the marketplace and each has a niche market they serve. Most ATS fall into one of three market categories: 1) Small business, 2) Medium size business, 3) Enterprise systems that have the ability to scale deep and broad across the organization.

UTA conducted an RFP in 2018 and selected JobVite (Enterprise System) ATS to manage its Talent Acquisition process. The Board of Trustees approved a three-year contract with JobVite (18-2743TP) on December 12, 2018. Since then, UTA has been integrating it with numerous UTA systems like JDE, Laserfiche and others. UTA has also customized JobVite to manage our hiring processes and practices to ensure we are remaining compliant and competitive in the job market. As an ATS, Jobvite is feature-rich and supports the talent acquisition process very well.

While JobVite operates as a robust ATS, it also operates as a "candidate relationship management" (CRM) tool. Many ATS in the marketplace do not offer this important feature and if they do, it comes as a third-party integration. This feature is extremely important when it comes to attracting talent into UTA. Some of the important talent acquisition strategies UTA will deploy in the coming months/years will need a robust CRM in

order to stay relevant in attracting Talent.

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**DISCUSSION:**

We are requesting to extend the current ATS Vendor contract as it is currently meeting our needs and expect it to continue to do so for the proposed 3 year extension. There would be a significant integration cost to bring in a similar system. We have determined that the current ATS is competitively priced when matching against costs for similar providers.

During a Sole Source meeting we reviewed multiple ATS/CRM/Onboarding system providers. It was determined that acquiring a new ATS system would incur costs in implementation and integration fees, as well as an average of three to four months to implement. We estimate the duplicate cost to UTA, which would include implementation cost and training, would be at a minimum \$192,000.

UTA has been using Jobvite since 2019. Jobvite has allowed UTA to more streamline its recruiting process and the onboarding process, and lastly has given UTA the ability to better distribute job openings to thousands of external job boards giving UTA more exposure to potential job seekers in the market.

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**CONTRACT SUMMARY:**

<b>Contractor Name:</b>	JobVite
<b>Contract Number:</b>	21-03445BM
<b>Base Contract Effective Dates:</b>	Dec 31, 2021
<b>Extended Contract Dates:</b>	Dec 30, 2024
<b>Existing Contract Value:</b>	\$299,999.30
<b>Amendment Amount:</b>	388,317.80
<b>New/Total Amount Contract Value:</b>	\$688,317.10
<b>Procurement Method:</b>	Sole Source
<b>Funding Sources:</b>	IT Software Licensing budget

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**ALTERNATIVES:**

If denied UTA will need to request proposals for a new system, and the competitive bid process will require a minimum of 1 year to have a new system selected, implemented, and integrated to our existing systems in place.

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**FISCAL IMPACT:**

This cost is included in the department’s operating budget.

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**ATTACHMENTS:**

Contract Change Order/Extension-Applicant Tracking System (JobVite)

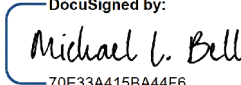
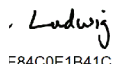
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**ORDER 21-03445BM**

This Order 21-03445BM (“**Order**”) is entered into on Dec 31, 2021 (the “**Order Effective Date**”) between Client and Jobvite. “Client” means the entity set forth below. “Jobvite” means Jobvite, Inc. and its Affiliates. The Order is made pursuant to the Master Subscription Agreement listed below, between Jobvite and Client (the “**Agreement**”). Capitalized terms used herein that are not defined will have the meanings assigned to them in the Agreement.

**Utah Transit Authority (UTA) "CLIENT"****Utah Transit Authority (UTA) "CLIENT"****JOBVITE, INC. "SUPPLIER"**

(Signature)	(Signature)	(Signature)
(Printed Name)	(Printed Name)	(Printed Name)
(Title)	(Title)	(Title)

DocuSigned by:  Michael L. Bell  
 DocuSigned by:  John Ludwig  
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 Michael L. Bell John Ludwig  
 7/22/2021  
 Utah Attorney General  
 7/28/2021

**CLIENT INFORMATION & GENERAL PAYMENT TERMS**

Client Contact Name:	Ryan Mortensen	Jobvite Sales Rep:	Jennifer Murphy
Email:	rmortensen@rideuta.com	Order Number:	Q-035193
Email Address for software electronic delivery:		Phone:	801-287-2339
Billing Address:	669 W. 200 S Salt Lake City, Utah, 84101 United States	Billing Phone:	801-287-2339
Billing Contact:	Ryan Mortensen	Billing Fax:	
Billing Email:	rmortensen@rideuta.com	Currency:	USD
Payment Terms:	Net 30	Use Limit: Annual Job Volume	1
Invoice Frequency:	Annually	Use Limit: # of FT Employees:	2,501
Does Client Require a PO for Payment:	Yes – PO# 2103445	Client HRIS system:	
Client ATS system and version:		Use Limit: # of Integrations (HRIS/ATS):	1

**JOBVITE ATS & ONBOARD**

<b>Product Term (Months):</b>	36	<b>Start Date of Product Term</b>	Dec 31, 2021
<b>Use Limit # of Systems:</b>	1	<b>End Date of Product Term</b>	Dec 30, 2024

DESCRIPTION	Price per Year	One-Time Fees	EXTENDED PRICE
Jobvite ATS & Onboard	\$74,471.00	-	\$223,413.00
<b>Total Net Price</b>			<b>\$223,413.00</b>

**INTELLIGENT MESSAGING**

<b>Product Term (Months):</b>	36	<b>Start Date of Product Term</b>	Dec 31, 2021
<b>Use Limit # of Users:</b>	9	<b>End Date of Product Term</b>	Dec 30, 2024
<b>Use Limit # of Conversations:</b>	25,000	<b>Use Limit # of Short Code(s):</b>	0
<b>Use Limit # of Country Phone Numbers:</b>	2		

DESCRIPTION	Price per Year	One-Time Fees	EXTENDED PRICE
Intelligent Messaging	\$17,301.60	-	\$51,904.80
<b>Total Net Price</b>			<b>\$51,904.80</b>

**TALEMETRY SOURCE & CRM**

<b>Product Term (Months):</b>	36	<b>Start Date Of Product Term</b>	Dec 31, 2021
<b>Use Limit: # of Talent Networks:</b>	1	<b>End Date Of Product Term</b>	Dec 30, 2024
<b>Use Limit: # of Emails (annually / monthly / daily):</b>	50,000 / 5,000 / 1,000	<b>Use Limit: # of Users:</b>	5
<b>Use Limit: Candidate Database Size:</b>	50,000	<b>Use Limit: # of Systems:</b>	Dev / Prod
<b>Use Limit: Candidate Database Connections</b>	1		

DESCRIPTION	Price per Year	One-Time Fees	EXTENDED PRICE
Talemetry Source & CRM	\$20,000.00	-	\$60,000.00
Implementation, Project Management, & Configuration	-	\$4,000.00	\$4,000.00
\$15K per year credit-Engage to Talemetry Source & CRM	(\$15,000.00)	-	(45,000.00)
<b>Total Net Price</b>			<b>\$19,000.00</b>

**TALEMETRY CAREER SITES**

<b>Product Term (Months):</b>	36	<b>Start Date of Product Term</b>	Dec 31, 2021
<b>Use Limit: # of Career Sites:</b>	1	<b>End Date of Product Term</b>	Dec 30, 2024

DESCRIPTION	Price per Year	One-Time Fees	EXTENDED PRICE
Telemetry Career Sites	\$20,000.00	-	\$60,000.00
Google Cloud	\$0.00	-	\$0.00
Implementation, Project Management, & Configuration	-	\$4,000.00	\$4,000.00
<b>Total Net Price</b>			<b>\$64,000.00</b>

#### RECURRING SERVICES

<b>Product Term (Months):</b>	36	<b>Start Date of Product Term</b>	Dec 31, 2021
		<b>End Date of Product Term</b>	Dec 30, 2024

DESCRIPTION	Price per Year	One-Time Fees	EXTENDED PRICE
Recurring Services Silver- 4 hours per month	\$10,000.00	-	\$30,000.00
<b>Total Net Price</b>			<b>\$30,000.00</b>

<b>TOTAL PRICE EXCLUDING TAXES:</b>	<b>\$388,317.80</b>
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#### FEE PAYMENT SCHEDULE

DUE DATE (MM/DD/YY):	DESCRIPTION:	AMOUNT:
Jan 30, 2022	Implementation and One-Time Fees for products described in this Order	\$8,000.00
Jan 30, 2022	Subscription Fees for Dec 31, 2021 - Dec 30, 2022	\$126,772.60
Jan 30, 2023	Subscription Fees for Dec 31, 2022 - Dec 30, 2023	\$126,772.60
Jan 30, 2024	Subscription Fees for Dec 31, 2023 - Dec 30, 2024	\$126,772.60
<b>TOTAL AMOUNT DUE EXCLUDING TAXES</b>		<b>\$388,317.80</b>

**A. General Terms and Conditions**

1. Client shall pay the fees set forth above by Electronic Funds Transfer to an account designated by Jobvite in writing. Jobvite shall invoice Client in accordance with the Fee Payment Schedule set forth above, and Client shall pay such invoices in accordance with the terms of the Agreement. The fees set forth above do not include any Taxes.
2. There will be no force or effect to any terms of a Client's purchase order or similar document that conflict with the terms of this Order or the Agreement, even if such purchase order or similar document is signed by the Parties after the date hereof.

**B. Implementation Services**

1. If applicable, Jobvite will contact client within eight business days following the Order Effective Date to schedule the implementation kick-off meeting at a mutually agreed upon time to commence the development of an implementation schedule and review the detailed implementation plan for the Implementation Services described below.
2. Jobvite shall provide Client with the implementation services ("Implementation Services") for the Jobvite Software subscribed to for up to two non-customized environments (i.e. development and production) of the ERP System and version indicated on the Order (if the Jobvite Software is being integrated with an ERP System).
3. Any customizations that are required based upon Client's unique workflow requirements or customized deployment of the Client's solution may result in additional implementation fees. A separate Order covering any additional Professional Services will be created for each such project and both Jobvite and Client shall execute the Order before Jobvite commences any work against it.
4. Client acknowledges that the successful implementation of the Jobvite Software requires the good faith cooperation of Client. Accordingly, Client shall provide its reasonable cooperation pertaining to the implementation, including Client making its technical staff available as required during implementation and providing Jobvite with all information relevant to the implementation and ensuring its technical staff have the appropriate time and experience required to achieve the implementation plan and schedule. In addition, Client shall appoint a system administrator and backup administrator who are employees of Client and who shall take relevant training and participate in the implementation.
5. Implementation will be deemed complete when all Implementation Services have been delivered by Jobvite in its reasonable discretion or after five (5) months from the implementation start date if Client fails to provide the required resources or reschedules the Implementation. Any Implementation Services provided after 5 months from the implementation start date will be subject to additional fees unless Jobvite has caused the delay.
6. Implementation Services do not include troubleshooting or resolving configuration or installation problems in Client's ERP environment.

Implementation Service	Talemetry Source & CRM
Formal Scoping Exercise	X
Project Management for Jobvite Deliverables	X
Project Plan and task list for Jobvite deliverables	X
Internal planning and communication	X
Client-facing planning and communication	X
Implementation support	X
Application design review	
Architecture design review	
ERP integration plan	X

Implementation Service	Telemetry Source & CRM
Assist Client with plan for hardware architecture and software installation	X
Configure and test user interface screens	
Account set-up and configuration	X
Sub-account set-up and configuration	
Email set-up and configuration	X
SMS Text set-up and configuration	X
Desktop Tools install and configure	X
Connector/Listener install and configuration (depending on ERP System)	X
DNS configuration if required	
NB3 file creation to a maximum of 1,000 terms	
ERP career portal integration and configuration	
System Admin training	X
Customer Account Manager training	
Desktop Tools training	X
End-user training, only if specified	X
ERP integration support	X
Coordination with third-party integration providers	X
Debugging/Testing	X
Go-Live Support	X

## Jobvite Terms and Conditions

1. **Order Forms.** These Terms and Conditions control the use of certain Jobvite, Inc. ("Jobvite") products and services ("Products") by the Customer shown on the Order Form executed by Jobvite and Customer and attached hereto. The agreement between the parties shall consist of the Order Form, these Terms & Conditions, and any Attachments referenced in the Order Form (collectively, the "Agreement"). Capitalized terms not otherwise defined in these Terms & Conditions shall have the meaning given to them in the Order Form and the Attachments.

## 2. Products and Services.

(a) **License.** Subject to the terms and conditions of the Agreement, including payment of all fees shown on the Order Form ("Fees"), Jobvite grants to Customer for the Term a non-exclusive, royalty-free, non-transferable (except as permitted herein), non-sublicensable right to access and use the Products during the Term in accordance with the restrictions set forth in the Agreement. Customer shall use the Products solely for Customer's internal business purposes, and shall not rent, lease, license, sell, or offer for sale the Products, for timesharing or as a service bureau, or otherwise for the benefit of a third party.

(b) **Restrictions.** Customer will not, directly or indirectly: (i) reverse engineer, decompile, disassemble or otherwise attempt to discover the source code of the Products (except as may be permitted by applicable law); (ii) copy, distribute, link, frame, mirror or otherwise make available any portion of the Products to any third party except as needed for their proper functioning; (iii) remove or alter any logos, trademarks, links, copyright or other notices, legends or markings from the Products or any related documentation (which shall include the POWERED BY JOBVITE logo and link on any Customer pages that contain data from, or access, the Products); (iv) attempt to bypass or tamper with the security, operation of the Products or any of the systems on which the Products are accessed; (v) attempt to access the accounts or data of any other customer.

(c) **Professional Services.** If Professional Services are specified on an Order Form then Jobvite shall use diligent efforts to complete such Professional Services in accordance with any specifications agreed upon by both parties or (in the case of activation, implementation or other standardized services) the specifications Jobvite provides to Customer, in either case as shown in a Statement of Work that accompanies or is subsequently appended to the relevant Order Form for such Professional Services. Customer acknowledges that Jobvite does not commit to a particular schedule for completion of Professional Services as they rely on input and assistance from Customer and other factors not in Customer's control.

Customer further acknowledges that the fees for Products are due pursuant to the relevant Order Form on which the Products are purchased, and payable whether or not Professional Services are completed. Professional Services must be used within twelve (12) months from the date of the applicable Order Form. Any Professional Services not used within this period will be automatically forfeited, with no further action required of either party, and Customer will not be entitled to a refund or credit toward additional or other services, for any unused portion of the fees paid for such forfeited Professional Services. If Jobvite and Customer agree to any travel, Jobvite will bill for actual travel and expenses separately. Travel and expense will be calculated according to Jobvite's travel policy.

(d) **Support.** Jobvite will make the Products and Professional Services available at all times except during periods of scheduled maintenance. Jobvite will provide support for the Products and Professional Services as set forth in the Support and Service Level Agreement attached to the Agreement. During the Term, Jobvite, will ensure that the Products operate in accordance with the service levels set forth in the Support and Service Level Agreement. If the Products fail to operate in accordance with such service levels, Customer shall be entitled to the service credits by following the procedures set forth in the Support and Service Level Agreement.

### 3. **Data Security and Use of Information.**

(a) **Security Measures.** Jobvite will maintain industry standard security measures for the protection of Customer's account against accidental or unauthorized access or use. Jobvite shall take all reasonable steps to prevent or correct any unauthorized access or intrusion into Customer's account. Customer is responsible for notifying Jobvite of any such unauthorized access to its account. Jobvite's obligations as to the security of Customer's account shall be limited to the extent Customer fails to notify Jobvite upon becoming aware of such unauthorized access, or through Customer's failure to select secure passwords, change passwords frequently, or maintain the confidentiality of those passwords. Jobvite's liability for a failure of its security measures shall be to correct the circumstances that lead to the failure or unauthorized access, prevent further intrusions, and use its best efforts to recover any information copied or removed from Customer's account.

(b) **Use of Information.** Jobvite shall use any information that Customer provides through the Products or stores in Customer's account ("Customer Information") only for the following purposes: (i) to fulfill the requirements of this Agreement and operation of the Products, (ii) for statistical purposes that do not disclose or identify personal information or Customer in any manner, or (iii) to improve and enhance the Products and features that Jobvite offers. Jobvite shall not provide any Customer Information to any third party except to fulfill its obligations under this Agreement or as otherwise permitted by this Agreement. Jobvite may use various web hosts and related service providers in connection with offering and operating the Products ("Hosting Services") and will ensure that all Hosting Services comply with the restrictions on security and use of information and confidentiality contained in this Agreement and shall be responsible for any breach by those Hosting Services.

(c) **Privacy.** At all times during the Term and in its use of Customer Information, Jobvite (i) will comply with all applicable United States laws and regulations pertaining to privacy and data protection; (ii) will provide a level of security and privacy protection that meets the standards of the European Union Directive on Privacy; and (iii) will maintain certification and comply with the EU-US Privacy Shield Framework. Customer acknowledges that Jobvite will transfer and process all Customer Information to its (and its Hosting Services') servers located in the United States. Customer: (i) grants Jobvite and its Hosting Services the right to transfer, process and use Customer Information for the purposes specified in Section 3(b) above, (ii) will secure and maintain all consents necessary for these purposes; and (iii) will comply with any applicable privacy and data protection laws that apply if Customer is located in a jurisdiction outside the United States, or will provide the personal information of individuals domiciled outside the United States.

(d) **Third Party Products.** From time to time, Jobvite makes available through the Products links to third party activities, websites or services; Customer may elect to have those links active or inactive. If Customer chooses to allow its Users to access third party activities, websites or services through the Products, such access will be governed by the privacy and information policies applicable to such third-party activities, websites or services.

4. **Confidentiality.** With respect to Jobvite, the term "Confidential Information" shall mean all trade secret (as defined in the Uniform Trade Secrets Act) information furnished by Jobvite pursuant to the Agreement. With respect to Customer, the term "Confidential Information" shall mean all Customer Information provided by Customer or customer applicants and used and/or stored on the Products. For avoidance of doubt, the parties acknowledge that these terms and conditions and any pricing information associated with the Products shall not be considered Confidential Information. All Confidential Information that a party to this Agreement ("Discloser") provides to the other party ("Recipient") shall be deemed the property of the Discloser and each party shall retain all rights and ownership of its Confidential Information to the extent such ownership is not contrary to applicable laws or regulations. To the full extent permitted by the Utah Government Records Access Management Act, each party agrees that it: (i) shall only use Discloser's Confidential Information for the purposes permitted in this Agreement; and (ii) shall not disclose Confidential Information to any third party and shall cease all such use upon termination of the Agreement. Each party acknowledges that the other party collects resumes and other information about individuals through multiple sources and entities, that such information may duplicate information provided by one party to the other hereunder, and that a party is not obligated to treat such duplicate information as Confidential Information for purposes of this Agreement. Further, each party acknowledges that it will not be a violation of this Agreement for a party to disclose, delete or amend personal information submitted by individuals and Confidential Information generally to comply with applicable employment, privacy, information handling laws and open records laws.

5. **Fees, Payment Terms and Billing.** Customer will pay Jobvite the Fees as set forth on the Order Form. Fees are invoiced in advance in accordance with the schedule on the Order Form. Fees will be invoiced in accordance with the schedule on the applicable Order Form. Jobvite shall issue the first invoice on or after the Effective Date of this Agreement, and Customer shall pay all Fees within thirty (30) days of receipt of Jobvite's invoice. Customer shall be responsible for and pay all sales, use, value added or other taxes, except for taxes based on Jobvite's income, which amounts are understood to be in addition to the Fees. Unless otherwise set forth on an Order Form: (i) all Fees are payable in United States dollars and are non-cancelable and non-refundable (except in the event of termination for Jobvite's material breach in accordance with Section 6(c) below); and (ii) all fees for Professional

Services are payable in United States dollars either in accordance with the payment schedule set forth in the relevant Order Form, or Statement of Work. Unpaid amounts payments may be assessed a late fee of 1.5% per month, or the maximum rate permitted by law, whichever is less. Jobvite may suspend access to Products, if Customer fails to make any payments when due; Customer will continue to be responsible for all Fees for the entire Term during such suspension. Fees are subject to re-valuation and re-assessment based on volume of usage: for Products where fees are based on the total number of Customer employees, if the number of Customer employees increases by more than ten percent (10%) due to an extraordinary event such as an acquisition; for Products where fees are based on the number of recruiter seats, the number of seats shown in each Order Form and any new seats added during the applicable Term. Unless stated otherwise in the Order Form, Fees are fixed for the Initial Term, and will renew at the then-current list prices unless the parties negotiate different renewal prices.

**6. Term and Termination.**

(a) Term; Renewal. This Agreement will commence on the Effective Date and continue for as long as an Order Form has an active Term, or unless otherwise terminated as set forth herein.

(b) Termination for Cause; Suspension of Products. Either party may terminate this Agreement for a material breach that is not cured within thirty (30) days of notice of such breach. Jobvite may also elect to suspend access to the Products or terminate this Agreement without notice if (i) Customer fails to comply with Section 2 of this Agreement, or (ii) Customer's activities interfere with the proper operation of the Products or could adversely affect Jobvite's systems, or (iii) Customer offers a similar or competing service, or (iv) Customer fails to pay Fees when due after given notice of breach. Jobvite will endeavor to give notice of such activities prior to suspension, provided, however, that if the activities threaten immediate harm to Jobvite's systems, other customers or data or security integrity Jobvite may take such steps as it deems necessary to protect those interests. Access to the Products will be restored as soon as the activity ceases.

) Events on Termination. Upon termination of this Agreement for any reason: (i) each party will promptly cease all use and return or destroy the other's Confidential Information, (ii) Customer will cease use of the Products. Customer acknowledges that fees for Products for fixed terms of use were discounted based on Customer paying the full amounts for the Term, and therefore upon termination of this Agreement due to Customer's breach Customer shall pay in full all unpaid Fees for Products and Professional Services for the remainder of the Term. Upon termination of this Agreement due to Jobvite's breach, or by Jobvite pursuant to Section 9, Jobvite will refund *pro rata* any prepaid, unused fees for Products. As long as Customer has paid all fees owed at termination, at Customer's request within thirty (30) days of termination Jobvite will make available a copy of the Customer Information. After thirty (30) days, Jobvite will remove all access to Customer Information and it will be marked for deletion subject to routine backup and archival procedures and requirements of applicable law. Sections 3, 4, 7 through 10 and all accrued rights to payments shall survive termination of this Agreement.

**7. Warranties and Disclaimers.**

(a) Mutual Warranties. Each of the parties represents and warrants that: (i) it has the authority to enter into this Agreement and grant any rights and consents granted hereunder; (ii) it will fulfill its obligations in a professional and workmanlike manner, and will not use the other party's products, services, information, data or other materials in violation of any applicable law; and (iii) it will at all times during and after the Term of this Agreement comply with its data security and privacy obligations in accordance with Section 3 of this Agreement.

(b) Jobvite Warranties. Jobvite represents and warrants that (i) it has the right to provide the Products to Customer, (ii) the Products will not infringe or misappropriate any intellectual property or proprietary right of a third party; (iii) the Products will conform to, and contain the functionalities set forth in, the descriptions contained in Jobvite's proposal and other documentation provided by Jobvite to Customer, *provided, however*, that the sole remedies for a breach of this warranty (iii) shall be for Jobvite to correct any failure to conform, pay any credits if such failure causes a service level credit to accrue, and if correction is not possible to terminate this Agreement and refund *pro rata* any unused, prepaid Fees..

(c) Customer Warranties. Customer represents and warrants that its use of the Products will comply with all applicable laws and regulations governing employment and hiring practices.

(d) EXCEPT FOR THE FOREGOING AND THE SERVICE LEVEL COMMITMENTS THAT ARE PART OF THIS AGREEMENT, JOBVITE PROVIDES THE PRODUCTS "AS IS," AND WITHOUT ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED. JOBVITE EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, RELIABILITY, RESULTS, OR THAT CUSTOMER'S USE OF THE PRODUCTS WILL RESULT IN COMPLIANCE WITH EMPLOYMENT LAWS AND HIRING PRACTICES.

8. Limitation of Liability. NEITHER PARTY SHALL BE LIABLE HEREUNDER TO THE OTHER UNDER ANY THEORY, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR LOST DATA OR PROFITS, WHETHER OR NOT FORESEEABLE, AND A PARTY'S MAXIMUM LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE AMOUNTS PAID OR PAYABLE TO JOBVITE BY CUSTOMER HEREUNDER IN THE TWELVE-MONTH PERIOD IMMEDIATELY PRIOR TO THE EVENT GIVING RISE TO SUCH LIABILITY. NOTWITHSTANDING THE FOREGOING, IN CONNECTION WITH A PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER A PARTY'S MAXIMUM LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED TWO TIMES (2X) THE AMOUNTS PAID OR PAYABLE TO JOBVITE BY CUSTOMER HEREUNDER IN THE TWELVE-MONTH PERIOD IMMEDIATELY PRIOR TO THE EVENT GIVING RISE TO SUCH LIABILITY OR \$7 Million, WHICHEVER IS GREATER.

**9. Indemnification.**

- (a) Each party (“indemnifying party”) shall defend, indemnify and hold harmless the other party (“indemnified party”) and its officers, directors, employees and agents from and against all third party claims, losses and damages, including, without limitation, costs of remediation, fines, and reasonable attorneys’ fees incurred (“Claims”), arising from its breach of any of its representations and warranties made under Section 7 of this Agreement.
- (b) If Jobvite believes that any portion of the Product may be subject to a Claim under Section 7(b) of this Agreement, then in addition to the foregoing indemnity Jobvite shall, at its sole option and expense: (A) procure for Customer the right to continue using the affected Products; (B) modify or replace the infringing Products to allow for continued use, or if these alternatives are not commercially reasonable terminate this Agreement.
- (c) As a condition to being indemnified under this Section, the indemnified party shall: (i) promptly notify the indemnifying party of the Claim; (ii) allow the indemnifying party sole control of the defense and settlement of the Claim; and (iii) provide assistance, at the indemnifying party’s expense, in defending or settling the Claim. The indemnified party may participate at its own expense in the defense of a Claim with counsel of its own choosing. The indemnifying party will not enter into a settlement that requires the indemnified party to admit liability or pay damages with the indemnified party’s consent.

#### 10. **General.**

- (a) **Export Control.** Customer shall only use the Products in compliance with local laws and regulations, and will not export or re-export the Products in violation of any United States or other applicable export laws and regulations.
- (b) **Relationship of Parties.** The parties to this Agreement are independent contractors and no agency, partnership, joint venture, employment or similar relationship exists between them. Neither party has the authority to bind the other or to incur any obligation on its behalf.
- (c) **Assignment.** Neither party will transfer or assign this Agreement or any of the rights hereunder without the prior written approval of the other party, which shall not be withheld unreasonably, and any such assignment or transfer will be void. Notwithstanding the foregoing, a party may transfer this Agreement in its entirety in the event of an acquisition, merger or other event involving a change of control without consent as long as prompt notice of such event is given, and a party may assign any rights to payment hereunder. Customer acknowledges that the Fees may be subject to recalculation as set forth in Section 5, above, upon any permitted assignment of this Agreement.
- (d) **Notices.** Notices required hereunder shall be effective if delivered by email or facsimile (effective upon transmission, as evidenced by transmission reports), by courier or delivery service (effective upon receipt), or by first class United States mail, return receipt requested (effective upon receipt), and shall be sent to the addresses shown in the Order Form or as updated by notice.
- (e) **Force Majeure.** Neither party shall be responsible for a failure or delay of performance caused by any event outside of its reasonable control.
- (f) **Governing Law and Jurisdiction.** This Agreement is governed by the laws of the United States and the State of Utah, excepting its conflict of law’s provisions. In the event of a dispute arising out of or relating to this Agreement, the exclusive venue and jurisdiction shall be the courts of Salt Lake County, Utah.
- (g) **Entire Agreement; Waiver; Severability; Amendment.** This Agreement, along with the Order Form, is the complete agreement between the parties for the Products and supersedes all prior or contemporaneous agreements, representations or arrangements, oral or written. If any provision or term is found to be invalid or unenforceable, the remaining provisions will remain effective. The Agreement and any of its terms or provisions may not be modified or waived except in a writing signed or accepted by both parties. Terms on form purchase orders will not modify the Agreement. Handwritten changes to the Agreement or the Order Form must be initialed by the other party to be effective.

### Jobvite, Inc. Service Level And Support Agreement

#### SUPPORT & MAINTENANCE:

Help desk telephone, email and chat support is available to Customer 24x5 starting at 6:00 pm Pacific Time on Sundays to 6:00pm Pacific Time on Fridays, excluding Jobvite holidays. Customer agrees to send all issues to the channels outlined at <http://support.jobvite.com> The following table represents Jobvite’s support service level agreements and priority definitions:

Priority	Definition	Initial Response and Update Times
P1	<b>Urgent:</b> The software on the production system is down (crashes) or is not operational for all customers.	Initial response to designated CUSTOMER CONTACT within 1 hour of case submission to Customer Success (support). The designated CUSTOMER CONTACT will be updated twice daily on progress. Actions will commence within 1 hour on all licensor business days.
P2	<b>Critical:</b> The software on the production system is operational but has a major functional loss that impedes transactions from being completed for multiple customers.	Initial response to designated CUSTOMER CONTACT within 4 hours of case submission to Customer Success (support) during regular support hours. The designated CUSTOMER CONTACT will be updated daily on progress.

		Actions will commence within 4 hours of notification on all licensor business days.
P3	<b>Important:</b> The software on the production system has a functional loss that does not impede transactions from being completed, but affects performance or user quality; or a suitable workaround can be employed; or the functionality is not immediately necessary; or the test system ("test drive") has major functional loss which impedes business transactions from being completed.	Initial response to designated CUSTOMER CONTACT within 1 business day of case submission to Customer Success (support). The designated CUSTOMER CONTACT will be updated weekly on progress. Actions will commence within 2 days of notification on all licensor business days.
P4	<b>Minor:</b> The software has a cosmetic or grammatical error that does not affect performance or stability of the system, or the customer has a question regarding the use of the product.	Initial response within 2 business day of case submission to Customer Success (support). The designated CUSTOMER CONTACT will be updated on an as needed basis. All questions on product use will be updated within 48 hours of case submission to Customer Success.
P5	<b>Enhancement:</b> Requests for new features/functionality that does not exist in the product will be reviewed by product management/development and included in future releases if broadly applicable to our customer base.	Enhancement requests are logged and submitted to product management. The designated CUSTOMER CONTACT will be updated on an as needed/appropriate basis.

Customer acknowledges that Jobvite will schedule a system maintenance period every Saturday beginning at 10:00 pm Pacific Time and lasting up to three (3) hours. Jobvite may occasionally have to interrupt services outside of this time period, including for purposes of upgrades and maintenance to the Software and/or System, in which case Jobvite will use all reasonable efforts to announce the scheduled downtime via e-mail to Customer's designated e-mail address two (2) business days in advance.

The Support provided under this Agreement does not include services for the following matters:

- (i) any problem resulting from the misuse, improper use, alteration, or damage of the Software;
- (ii) any problem caused by modifications in any version of the Software not made or authorized by Jobvite;
- (iii) any problem resulting from Customer combining or merging the Software with any hardware or software not supplied by Jobvite and not identified by Jobvite as compatible with the Software or Systems; or
- (iv) any problem that is not reproducible by Jobvite due to customers environment.

#### SERVICE LEVEL STANDARDS:

##### 1. Definitions.

**"Force Majeure Event"** means (i) compliance with any act, order, demand or request of any government or governmental authority, agency or instrumentality; (ii) labor disputes, difficulties or work stoppages or slowdowns of any kind; (iii) hurricane, earthquake, flood and other natural disasters or fires; (iv) war, rebellion, act of terrorism, or civil disorder; (v) act or omission of any telecommunication or services provider; (vi) any other cause beyond Jobvite's reasonable control.

**"Maintenance Outage"** means a planned or unplanned maintenance period, including, without limitation, any maintenance downtime or maintenance outage, not to exceed an aggregate of ten (10) hours in any calendar month. "Service" means the service provided by Jobvite to host, manage and make available through the Internet the Software.

**"Service"** means the service provided by Jobvite to host, manage and make available through the Internet the Software.

**"Service Outage"** means any time when the Service is inoperable or unavailable due to or caused by reasons reasonably within Jobvite's control, excluding specifically the following reasons: (i) Customer's own telecommunications or Internet service providers; (ii) a Force Majeure Event; (iii) any systemic Internet failures; or (iv) any failure in Customer's own hardware, software or network connection.

**"Total Hours of Operation"** shall be twenty-four (24) hours per day, three hundred sixty-five (365) days per year, excluding any time for Maintenance Outages.

##### 2. Availability of Services.

Jobvite warrants that the Services will be available at least 99.9% of the time measured monthly, using the following formula:

$$\text{Uptime} = \frac{\text{Total Hours of Operation} \textit{ minus} \textit{ Service Outages}}{\text{Total Hours of Operation}}$$

**3. Sole Remedies for Failure to Meet the Uptime Service Level Commitment.**

For each calendar month in which Jobvite has Uptime of:

- (a) less than 99.9% but above 95%, Jobvite shall upon Customer's request made within thirty (30) days of the end of the calendar month, provide Customer with a written plan for improving Jobvite's Uptime to attain the 99.9% Uptime and Jobvite shall promptly implement such plan;
- (b) between 95% and 90%, Jobvite shall, upon Customer's request made within thirty (30) days of the end of that calendar month, provide Customer with a service credit in an amount equal to \$500 and the action plan under subpart (a) above; or
- (c) less than 90%, Jobvite shall, upon Customer's request made within thirty (30) days of the end of that calendar month, provide Customer with a service credit in an amount equal to \$1000 and the action plan under subpart (a) above. Customer may also terminate this Agreement upon thirty (30) days' written notice (which notice must be given within sixty (60) days of the end of the calendar month in which the Uptime was less than 90%). Customer shall not exercise the rights in this Section 3 without a reasonable basis or belief that the applicable Uptime commitment was not satisfied. If Customer believes that Jobvite has failed to achieve an Uptime commitment in any given month, Jobvite shall, promptly following Customer's request, promptly provide a report that contains true and correct information detailing Jobvite's actual Uptime performance. **THIS SECTION 3 SETS FORTH CUSTOMER'S SOLE AND EXCLUSIVE REMEDY, AND JOBVITE'S ENTIRE LIABILITY, FOR ANY FAILURE TO MEET THE UPTIME COMMITMENT.**

**4. Maintenance Outages.**

Jobvite will provide Customer with written notification via e-mail for each planned Maintenance Outage outside of the normal maintenance hours at least one (1) business day in advance whenever practicable of the occurrence of any such outage.



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** Todd Mills, Director of Supply Chain  
**PRESENTER(S):** Todd Mills, Director of Supply Chain  
Shaina Quinn, Program Manager Innovative Mobility Solutions  
Kyle Stockley, Rail Infrastructure Project Manager

**TITLE:**

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**Pre-Procurements**

- **Electric Vans for Tooele**
- **SD100/SD160 Slewing Ring Replacement**

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**AGENDA ITEM TYPE:**

Pre-Procurement

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**RECOMMENDATION:**

Informational report for discussion

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**BACKGROUND:**

Utah's Public Transit District Act requires all contracts valued at \$200,000 or greater be approved by the UTA Board of Trustees. This informational report on upcoming procurements allows Trustees to be informed and provide input on upcoming procurement projects. Following the bid solicitation and contract negotiation process, final contracts for these projects will come before the board for approval.

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**DISCUSSION:**

- **Electric Vans for Tooele.** UTA is seeking to purchase 8 zero emission, battery-electric vans to support the upcoming Tooele Microtransit service. Due to its population and geographic layout Tooele County was among the highest-ranked zones for Microtransit service, and has been included in UTA's 5-year service plan. The new Microtransit service will replace the dial-a-ride service and two flex routes funded by UTA and operated by Tooele County. The vehicles will be ADA accessible, commercially available electric vans with upfitting added as needed.

This project is included in the Tentative 2022 Budget request. In the event that the Tentative 2022 Budget or

this project is not approved, the contract allows UTA to terminate the contract for lack of appropriation authority.

The procurement is 85% funded by the FTA Low-No grant award with a 15% match of UTA funds. This procurement will be conducted as an RFP, where technical criteria will be evaluated and scored in addition to price. (Req. 9936, Shaina Quinn)

- SD100/SD160 Slewing Ring replacement. This is a Sole Source procurement with Siemens to purchase up to 120 replacement Slewing Rings for the SD100 & SD160 Light Rail vehicles. This purchase is for parts only, and the replacement installation will be performed in-house. Slewing Rings are a ring of bearings that sit on top of the power truck and center truck of the light rail cars that enable smooth pivoting and turning of the vehicle. Over time these bearings wear out and must be replaced. These are part of the Light Rail SGR overhaul program, and the funding was included in the 2021 SGR budget. (Req. 9821, Kyle Stockley)
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**ATTACHMENTS:**

None



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** Alisha Garrett, Chief Enterprise Strategy Officer  
**PRESENTER(S):** Alisha Garrett, Chief Enterprise Strategy Officer

**TITLE:**

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**Fare System Technology Review**

**AGENDA ITEM TYPE:**

Discussion

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**RECOMMENDATION:**

This is an informational report for discussion.

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**BACKGROUND:**

UTA was looking to maintain, upgrade and/or replace each of our four core Fare Technology systems independently. We put together a working group of key UTA stakeholders and went out for bid to identify a consultant who could help us take a comprehensive view of our entire Fare Technology System. After going through the procurement process the vendor Clevor Consulting Group was selected. In early 2021 they kicked off research within the industry and UTA, conducted a detailed gap analysis, and developed weighting criteria to ensure all voices were represented in the process. In July of 2021 Clevor presented their draft recommendations to UTA leadership. Since the time of their presentation the Board of Trustees has asked for additional supporting detail regarding how the Fare Systems interact with one another, the cost to collect fares and next steps in the process for determining UTA's Fare Technology System moving forward.

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**DISCUSSION:**

Today's presentation will provide a high-level overview of each of the options UTA has related to our Mobile Ticketing, Fareboxes, Ticket Vending Machines, and Electronic Fare Collection backend system. The presentation will highlight the recommendation by Clevor Consulting for each of the Fare Systems as well as highlight the current and projected cost to collect fares by fare system type. The purpose of the conversation is for the Board of Trustees and members of our public to be aware of where UTA is in the process of upgrading

or replacing our Fare Technology System.

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**ATTACHMENTS:**

None



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** Nichol Bourdeaux, Chief Planning and Engagement Officer  
**PRESENTER(S):** Jaron Robertson, Director Innovative Mobility Solutions

**TITLE:**

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**UTA On Demand: South Salt Lake County Service Update**

**AGENDA ITEM TYPE:**

Discussion

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**RECOMMENDATION:**

Informational report for discussion

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**BACKGROUND:**

The South Salt Lake County Microtransit Service (UTA On Demand) began as a pilot in November 2019. The pilot experienced early adoption and success prior to the COVID-19 pandemic meeting most goals and objectives. UTA continued and extended the pilot throughout the COVID-19 pandemic and was able to demonstrate the nimbleness and adaptability of microtransit by continuing to provide high-quality transit service, maintaining a good customer experience, and lowering operating expenses. As part of the August 2021 change day and UTA's Five-Year Service Plan, UTA made the pilot a permanent service and discontinued five flex route services within the area.

As part of the August 2021 change day, the service continues to operate in the cities of Bluffdale, Draper, Herriman, Riverton, and sections of Sandy, and South Jordan. The service area was expanded from 65 to 71 square miles. Operating hours were expanded from Monday - Friday, 6:00 am to 9:00 pm to Monday - Friday, 4:00 am to 12:15 am. Saturday service was also added and operates from 6:00 am to 1:15 am. UTA and Via launched a new UTA branded app, and the service began providing paratransit to microtransit connections.

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**DISCUSSION:**

Staff will provide an update to the UTA Board of Trustees regarding service performance since the August 2021 change day. Discussion topics will include the following:

- Overview of service changes

- Overview of service performance including ridership, customer experience, travel patterns, and paratransit connections
  - Successes and challenges with the service
  - Marketing and communications update
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**ALTERNATIVES:**

N/A

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**FISCAL IMPACT:**

N/A

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**ATTACHMENTS:**

None



# Utah Transit Authority

## MEETING MEMO

669 West 200 South  
Salt Lake City, UT 84101

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**Board of Trustees**

**Date:** 10/27/2021

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**TO:** Board of Trustees  
**THROUGH:** Mary DeLoretto, Interim Executive Director  
**FROM:** Mary DeLoretto, Interim Executive Director  
**PRESENTER(S):** Carlton Christensen, Chair of the Board of Trustees

**TITLE:**

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**Strategy Session to Discuss the Character, Professional Competence, or Physical or Mental Health of an Individual**  
**And**  
**Strategy Session to Discuss Pending or Reasonably Imminent Litigation**

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**AGENDA ITEM TYPE:**

Closed Session

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**RECOMMENDATION:**

Approve moving to closed session for discussion of character, professional competence, or physical or mental health of an individual and to discuss pending or reasonably imminent litigation

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**BACKGROUND:**

Utah Open and Public Meetings Act allows for the Board of Trustees to meet in a session closed to the public for various specific purposes.

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**DISCUSSION:**

The purpose for this closed session is:

- Strategy session to discuss the character, professional competence, or physical or mental health of an individual
- Strategy session to discuss pending or reasonably imminent litigation