

PUBLIC TRANSIT SYSTEM INTERLOCAL AGREEMENT

1. Parties

This Public Transit System Interlocal Agreement (“Agreement”) is made and entered into by and between the Capital Area Rural Transportation System, a Texas Department of Transportation (TxDOT) authorized direct recipient of Urbanized Area Formula Program (Federal Transit Administration Section 5307) funding and an urban transit district created under Chapter 458 of the Texas Transportation Code ("CARTS"), and the City of San Marcos, Texas, the principal city of the San Marcos Urbanized Area (hereafter defined) and a Texas municipal corporation (the "City"), to be effective as of **October 1, 2017**. This Agreement is authorized and governed by the provisions of the Interlocal Cooperation Act, Texas Government Code, Chapter 791, specifically Section 791.011 regarding contracts to perform governmental functions and services. As used in this Agreement, the term “San Marcos Urbanized Area” shall mean the geographic area depicted on the map attached hereto as Attachment 2 and made a part hereof.

2. Term

The term of this Agreement will commence **October 1, 2017 and will end September 30, 2018**. CARTS' performance under this Agreement will be contingent upon its continued receipt of state and federal funding to operate the System.

After **September 30, 2018**, this Agreement may continue in full force and effect on a month-to-month basis, on the same terms and conditions as are recited herein, only upon the express written mutual agreement of the parties.

3. Transit System Services

CARTS shall plan, operate and maintain a public transit system (the "System") within the San Marcos Urbanized Area in accordance with this Agreement and all federal requirements applicable to CARTS as a direct recipient of FTA Section 5307 funds and an FTA grantee or sub-grantee of Enhanced Mobility of Seniors and Individuals with Disabilities Program (FTA Section 5310) and Bus and Bus Facilities Program (FTA Section 5339) funds. In addition to the requirements and responsibilities identified in FTA Circular 9030.1D, Urbanized Area Formula Program, dated August 27, 2012, CARTS shall be responsible for establishing a program of projects including public participation, programming projects in the Metropolitan Transportation Plan (MTP), Transportation Improvement Program (TIP) and Unified Planning Work Program (UPWP) and creating a policy for raising fares or implementing major service reduction including public participation.

The System services shall include fixed route bus service with complementary Americans with Disabilities Act paratransit service.

In consultation with the City, CARTS shall effectively and efficiently plan public transportation services for the residents of the San Marcos Urbanized Area. CARTS shall create a Comprehensive Public Transit Plan, Finance and Implementation Strategy, a Title VI of the

Civil Rights Act of 1964 Program, a Disadvantaged Business Enterprise (DBE) Program and a Complementary ADA Paratransit Plan in accordance with all federal requirements applicable to CARTS as a direct recipient of FTA Section 5307 funds and an FTA grantee or sub-grantee of FTA Section 5310 and FTA Section 5339 funds. In addition, CARTS will participate in reviewing plans for development projects, which may increase transit use, and meetings with Texas State University to coordinate ongoing operations between the System and the Bobcat Shuttle.

The Comprehensive Public Transit Plan and Finance and Implementation Strategy will have a five-year planning horizon and include, but not be limited to, transit system expansion and optimization (Extended hours of operation), major capital projects including transit vehicles, facilities and intelligent transportation systems, coordination with Texas State University Bobcat Shuttle including operations and facilities, system-wide ADA accessibility, budgets and schedules.

4. Funding for Services

a. Payments by the City. In addition to the appropriation of FTA Section 5307 funds and the award of state urbanized area funds, the City will pay CARTS an amount equal to \$450,000.00 (the “funds”) during the term of this Agreement towards the cost of planning, operating and maintaining the System. Amounts paid by the City in any subsequent years shall be as provided under the terms of such written agreement. The cost of operating the System includes Planning Expenses, Capital Expenses, Operating Expenses and Project Administrative Expenses (eligible expenses) as those terms are described in FTA Circular 9030.1D, Urbanized Area Formula Program, dated August 27, 2012 or successor provision. Payments to CARTS will be made on a monthly basis upon submission by CARTS to the City of an invoice for 1/12th of the funds on or before the 15th day of each month accompanied by a report of the previous month’s eligible expenses attributable to the operation and administration of the System to which such payment will be applied.

b. Payments by CARTS. CARTS will reimburse the City for eligible expenses as described in FTA Circular 9030.1D, Urbanized Area Formula Program, dated August 27, 2012 or successor provision. The City and CARTS will develop a mutually agreeable process for reimbursement, including timing of submissions, required accompanying information and timing of payment.

c. Annual Budget. CARTS, in consultation with designated City staff, will participate in the City’s annual budget process. CARTS will provide City staff with a budget draft proposal on or before **June, 1 2018** for fiscal planning purposes.

d. Prompt Payment. In accordance with Chapter 2251, Texas Government Code except as provided in Section 2251.002, payment to CARTS will be made within thirty (30) days of the date City receives goods under this Agreement, the date the performance of the services under this Agreement are completed or the date City receives a correct invoice for the goods or services, whichever is later. CARTS may charge interest on an overdue payment at the “rate in effect” on September 1 of the fiscal year in which the payment becomes overdue, in accordance with Texas Government Code, Section 2251.025(b).

e. Financial Records. CARTS shall maintain complete and accurate financial records regarding the use of the funds to support urbanized area planning and operations in accordance with FTA Circular 5010.1D, Grant Management Requirements, dated August 27, 2012, and, at the request of the City Manager or his designee, shall make the records available for inspection and review during normal business hours.

5. Routes and Schedules

The System will use the fixed routes and the fixed route schedules described on Attachment 1, hereof. The complementary ADA paratransit service shall extend a minimum of three-quarters (3/4) of a mile from the fixed route service. CARTS agrees to work with the City, the City of Martindale and Hays County, to maintain a route between San Marcos, Martindale and Redwood. Any recommendation for major service reduction shall be submitted to the City by CARTS for consideration by the City Council. CARTS shall comply with CARTS' policy for implementing major service reduction when developing a recommendation to the City for major service reduction.

It is recognized that it is the goal of the City and CARTS to move as many demand response customers as is practicable to fixed route service. CARTS agrees to work to reduce the need for demand service in consultation with the City.

6. Fares

CARTS shall recommend fare increases to the City for consideration by the City Council. CARTS shall comply with CARTS' policy for raising fares when developing a recommendation to the City for fare increases.

7. Vehicles

CARTS will use vehicles appropriate to the operation of the System. Such vehicles shall be maintained in good working order and in a clean and sanitary condition.

CARTS may use other non-conforming buses or vehicles in operating the System only in a temporary back-up capacity when the other vehicles are unavailable due to repair or maintenance requirements.

8. Shelters, Signage and Transfer Center

CARTS currently operates a central transfer center and a network of bus stops and shelters in connection with the operation of the System. CARTS may change, add and/or delete bus stops or shelter locations as necessary to meet route changes and/or service requirements in the operation of the System with the written approval of the City Manager or his or her designee, which approval shall not be unreasonably withheld, conditioned or delayed.

1. Services. Services to be provided are as follows:

- a) The City will provide equipment, labor and materials necessary for the installation and maintenance of transit system signage, shelters, trash cans and benches. The City will not be responsible for providing signs, poles, shelters, trash cans or benches.
- b) CARTS will provide the City with all replacement signs, poles, shelters, trash cans or benches.

2. Compensation.

CARTS will pay the City for the actual cost of the installation and maintenance work performed by the City plus an additional ten percent on each invoice as an administrative fee. Payment will be made to the City within 30 days of CARTS' receipt of an invoice from the City.

CARTS and the City agree that no advertising shall be permitted on bus stop or shelter facilities and improvements.

9. **System and Program Administration.**

CARTS is solely responsible for the administration of the System and the Urbanized Area Formula Program for San Marcos Urbanized Area including compliance with FTA Circulars 9030.1E and 5010.1D including Certifications and Assurances, Master Agreement, Transit Award Management System (TrAMS), Electronic Clearing House Operation (ECHO) and National Transit Database (NTD).

10. **Customer Service**

a. Customer Service Ride Line. CARTS shall maintain a customer service ride line using local or toll free telephone numbers staffed with one or more live operators during regular hours of service for the receipt of System related inquiries, complaints or other communications. In addition, CARTS will provide for voice mail receipt of after-hours System related inquiries, complaints or communications. CARTS shall post notice of such telephone numbers in conspicuous locations within its facilities in the City and within any buses or trolleys operating in the System. CARTS shall respond promptly and courteously to, investigate and, using good faith efforts, attempt to resolve all complaints, inquiries and communications it receives.

b. Complaint Reports. CARTS shall keep a record of the dates and times complaints are received and the dates and times the complaints are resolved by CARTS (or if not resolved, the good faith efforts used to attempt to resolve the complaint) and provide such record to the City Manager on a quarterly basis during the term of the Agreement.

11. **Performance Reports**

On or before the 15th day of the month immediately following each month for which services are provided and an invoice is submitted by CARTS under this Agreement, CARTS

shall submit data covering CARTS' operation of the System during the preceding month, the content and format of which will be mutually agreed upon by CARTS and the City.

12. Audit

CARTS agrees to maintain accounts and records for all costs of operation of the System separate from all rural operations, and CARTS agrees to provide the City with its annual audit of its finances, which is prepared by a certified public accountant for the period of the Agreement on or before **April 1, 2019**.

13. Waiver of Franchise Fees

The City, as part of its consideration for this Agreement, waives any franchise fees it is authorized to impose upon CARTS for the operation of the System upon the public streets of the City.

14. Insurance

CARTS agrees to maintain in full force and effect all forms of insurance required by applicable local, state and federal regulatory authorities in at least the minimum amounts prescribed by those authorities. CARTS shall furnish written certificates of such coverage to the City annually. The limits of any such insurance shall not limit the obligation of CARTS under Section 15 below.

15. Indemnity

CARTS agrees, to the extent permitted by applicable law, to hold harmless, indemnify, and defend the City, its officers and employees from and against all claims for property damage, injuries and death arising out of or connected with CARTS' performance under this Agreement.

16. Governing Law and Venue

This Agreement shall be governed by the laws of the State of Texas, and mandatory venue for any legal dispute under this Agreement is in the State court in Hays County, Texas having jurisdiction over the dispute.

17. Notices

Notices and approvals under this agreement are to be delivered personally, mailed by certified mail, or transmitted by confirmed facsimile to the recipient at the following addresses:

CARTS:

General Manager
2010 E. 6th Street
Austin, TX 78702

City of San Marcos:

City Manager
630 E. Hopkins
San Marcos, TX 78666

Each party will notify the other of any changes in this address information.

18. Termination

Either party may declare a default under this Agreement if the other party fails to comply with any of the terms of this Agreement. If one party determines that the other party is in default of this Agreement, the non-defaulting party will notify the defaulting party in writing of such default, and if the default is not cured within 30 days from the date of the notice, then the non-defaulting party may terminate this Agreement upon written notice. Either party may exercise its remedies for default in conjunction with one another or separately, and together with any other statutory or common law remedies available to such party. Any failure by the non-defaulting party to enforce this Agreement with respect to one or more defaults by the defaulting party will not waive the non-defaulting party's ability to enforce the Agreement after that time.

The City may terminate this Agreement for any reason by providing six months' advance written notice of termination to CARTS. If the City terminates for any reason other than a default by CARTS, CARTS shall be entitled to receive payments for expenses reasonably incurred in operating the System and winding down through the termination date stated in the notice. CARTS may terminate this Agreement for any reason by providing six months' advance written notice of termination to the City. CARTS shall be entitled to receive payments for expenses reasonably incurred in operating the System and winding down through the termination date stated in the notice.

19. Miscellaneous

a. Compliance with Laws. In carrying out its obligations under this Agreement, CARTS shall comply with all applicable state, federal and local transportation, safety and other laws, rules, regulations.

b. Entire Agreement. This Agreement is the entire agreement of the parties on this subject matter, and may be amended only by a written document executed by the authorized representatives of the parties.

c. Severability. If any part of this Agreement is determined to be invalid by a court or regulatory authority of competent jurisdiction, the rest of the agreement remains in effect unless contrary to the manifest intent of the parties.

d. Assignment. Neither party may assign its rights or obligations under this Agreement without the written consent of the other party.

e. Current Revenues. The parties to this Agreement expressly acknowledge and agree that all monies paid pursuant to this Agreement shall be paid from current lawfully appropriated revenues available to the paying party.

EXECUTED and as of the 1st day of **October, 2017**.

CAPITAL AREA RURAL TRANSPORTATION SYSTEM:

By: _____
David L. Marsh, General Manager

ATTEST:

By: _____
Printed Name/Title

CITY OF SAN MARCOS:

By: _____
Bert Lumbreras, City Manager

ATTEST:

By: _____
Jamie Lee Case, City Clerk

ATTACHMENT 1

ATTACHMENT 2

