

**THIS PRINT COVERS CALENDAR ITEM NO.: 10.2**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Sustainable Streets – Transportation Engineering

**BRIEF DESCRIPTION:**

Approving various routine traffic and parking modifications as consent calendar items per the attached resolution.

**SUMMARY:**

- Under Proposition A, the SFMTA Board of Directors has authority to adopt parking and traffic regulations changes.
- Taxis are not exempt from any of these regulations.

**ENCLOSURES:**

1. SFMTAB Resolution

**APPROVALS:**

**DATE**

DIRECTOR OF DIVISION

PREPARING ITEM \_\_\_\_\_

\_\_\_\_\_

EXECUTIVE DIRECTOR/CEO \_\_\_\_\_

\_\_\_\_\_

SECRETARY \_\_\_\_\_

\_\_\_\_\_

ADOPTED RESOLUTION

BE RETURNED TO \_\_\_\_\_ Tom Folks \_\_\_\_\_.

**ASSIGNED SFMTAB CALENDAR DATE:** July 6, 2010

## PAGE 2.

### PURPOSE

To approve various routine traffic and parking modifications.

### Benefit to the SFMTA 2008 – 2012 Strategic Plan:

### GOAL

- Goal 1 - Customer Focus: To provide safe, accessible, reliable, clean and environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First Policy
- Objective 1.1 - Improve safety and security across all modes of transportation
- Goal 2 - System Performance: To get customers where they want to go, when they want to be there
- Objective 2.4 - Reduce congestion through major corridors
- Objective 2.5 - Manage parking supply to align with SFMTA and community goals

### ITEMS:

- A. ESTABLISH – PARKING METER AREA 3 – Third Street, between Berry and King Streets. **PH 6/4/2010 Requested by Residents.**
- B. REVOKE – TOW-AWAY NO STOPPING ANYTIME – Third Street, west side, from Berry Street to 28 feet northerly. **PH 6/4/2010 Requested by Residents**
- C. ESTABLISH – METERED YELLOW LOADING ZONE, AREA 3, 7 AM TO 10 PM, EVERYDAY – Third Street, west side, from 8 to 28 feet north of Berry Street. **PH 6/4/2010 Requested by Residents.**
- D. ESTABLISH – RIGHT TURN ONLY AFTER BALLPARK EVENTS – Southbound 2nd Street at King Street. **PH 6/4/2010 Requested by Deputy Chief John Murphy.**
- E. ESTABLISH – TOW-AWAY NO STOPPING ANYTIME – Taylor Street, west side, from Jefferson Street to 48 feet southerly. **PH 6/4/2010 Requested by The Fisherman’s Wharf Community Benefit District (FWCBD).**
- F. ESTABLISH – TOUR BUS LOADING ZONE 20 MIN TIME LIMIT, 10AM-7PM EVERYDAY – Jones Street, east side, from Beach Street to 75 southerly. **PH 6/4/2010 Requested by FWCBD.**
- G. ESTABLISH – METERED TOUR BUS PARKING ONLY, 2-HOUR TIME LIMIT, 7 AM-7 PM EVERYDAY – Jones Street, east side, from 75 feet south of Beach Street to North Point Street (200' zone); Jones Street, west side, from North Point Street to Bay Street (275' zone); North Point Street, north side, from 80' west of Jones Street to 50' east of Columbus Avenue (194' zone); and North Point Street, south side, from 210' east of Stockton Street to 90' west of Kearny Street (573' zone). **PH 6/4/2010 Requested by FWCBD.**
- H. ESTABLISH – NO PARKING ANYTIME – San Jose Avenue, west side, from 30th Street to 27 feet northerly (to go along with a new 7-foot wide sidewalk bulb). **PH 6/4/2010 Requested by SFMTA.**
- I. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA J, 8 AM TO 5 PM, MONDAY

- THROUGH FRIDAY, 2-HOUR LIMIT – 800 block of Kirkham Street, between 12th and Funston Avenues. **PH 6/4/2010 Requested by Residents.**
- J. ESTABLISH – STOP SIGNS – Stopping Eugenia Avenue at Ellsworth Street, making this intersection an all-way STOP. **PH 6/4/2010 Requested by Resident.**
- K. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA L, 8 AM TO 6 PM, MONDAY THROUGH FRIDAY, 2-HOUR LIMIT – 2800 Block of Fulton Street-Residential Permit Parking Extension, north side, between 4<sup>th</sup> and 5<sup>th</sup> Avenues. **PH 6/4/2010 Requested by Residents.**
- L. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA O, 8 AM TO 6 PM, MONDAY THROUGH FRIDAY, 2-HOUR LIMIT - 800 and 900 blocks of Santiago Street, between 19th and 21st Avenues. **PH 6/4/2010 Requested by Residents.**
- M. ESTABLISH – TOW-AWAY NO STOPPING ANYTIME – Mission Street, west side, from Cesar Chavez Street to 90-feet northerly. **PH 6/4/2010 Requested by SFMTA.**
- N. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA S AND Z, 8 AM TO 9 PM, MONDAY THROUGH FRIDAY, 2-HOUR LIMIT – 200 block of Vicksburg Street, between 23rd and Elizabeth Streets (the street would be designated as a buffer zone street, allowing people with both S and Z permits to park on the street, but residents would be only eligible to purchase Area S permits). **PH 6/4/2010 Requested by Residents.**

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, The San Francisco Municipal Transportation Agency has received a request, or identified a need for traffic modifications as follows:

- A. ESTABLISH – PARKING METER AREA 3 – Third Street, between Berry and King Streets.
- B. REVOKE – TOW-AWAY NO STOPPING ANYTIME – Third Street, west side, from Berry Street to 28 feet northerly.
- C. ESTABLISH – METERED YELLOW LOADING ZONE, AREA 3, 7 AM TO 10 PM, EVERYDAY – Third Street, west side, from 8 to 28 feet north of Berry Street.
- D. ESTABLISH – RIGHT TURN ONLY AFTER BALLPARK EVENTS – Southbound 2nd Street at King Street.
- E. ESTABLISH – TOW-AWAY NO STOPPING ANYTIME – Taylor Street, west side, from Jefferson Street to 48 feet southerly.
- F. ESTABLISH – TOUR BUS LOADING ZONE 20 MIN TIME LIMIT, 10AM-7PM EVERYDAY – Jones Street, east side, from Beach Street to 75 southerly.
- G. ESTABLISH – METERED TOUR BUS PARKING ONLY, 2-HOUR TIME LIMIT, 7 AM-7 PM EVERYDAY – Jones Street, east side, from 75 feet south of Beach Street to North Point Street (200' zone); Jones Street, west side, from North Point Street to Bay Street (275' zone); North Point Street, north side, from 80' west of Jones Street to 50' east of Columbus Avenue (194' zone); and North Point Street, south side, from 210' east of Stockton Street to 90' west of Kearny Street (573' zone).
- H. ESTABLISH – NO PARKING ANYTIME – San Jose Avenue, west side, from 30th Street to 27 feet northerly (to go along with a new 7-foot wide sidewalk bulb).
- I. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA J, 8 AM TO 5 PM, MONDAY THROUGH FRIDAY, 2-HOUR LIMIT – 800 block of Kirkham Street, between 12th and Funston Avenues.
- J. ESTABLISH – STOP SIGNS – Stopping Eugenia Avenue at Ellsworth Street, making this intersection an all-way STOP.
- K. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA L, 8 AM TO 6 PM, MONDAY THROUGH FRIDAY, 2-HOUR LIMIT – 2800 Block of Fulton Street-Residential Permit Parking Extension, north side, between 4<sup>th</sup> and 5<sup>th</sup> Avenues.
- L. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA O, 8 AM TO 6 PM, MONDAY THROUGH FRIDAY, 2-HOUR LIMIT - 800 and 900 blocks of Santiago Street, between 19th and 21st Avenues.
- M. ESTABLISH – TOW-AWAY NO STOPPING ANYTIME – Mission Street, west side, from Cesar Chavez Street to 90-feet northerly.
- N. ESTABLISH – RESIDENTIAL PERMIT PARKING AREA S AND Z, 8 AM TO 9 PM, MONDAY THROUGH FRIDAY, 2-HOUR LIMIT – 200 block of Vicksburg Street, between 23rd and Elizabeth Streets (the street would be designated as a buffer zone street, allowing people with both S and Z permits to park on the street, but residents would be only eligible to purchase Area S permits).

WHEREAS, The public has been notified about the proposed modifications and has been given the opportunity to comment on those modifications through the public hearing process; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors, upon recommendation of the Executive Director/CEO and the Director of Transportation Engineering, does hereby approve the changes.

I hereby certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of \_\_\_\_\_.

\_\_\_\_\_

Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Sustainable Streets

**BRIEF DESCRIPTION:**

Resolution authorizing the Executive Director/CEO to execute an Agreement for Payment of Funds with 949 Market Street Associates to accept a donation in the amount of \$200,000 to fund the planning and construction of various transit, pedestrian and bicycle safety improvements.

**SUMMARY:**

- In November 2005, 949 Market Street Associates ("Developer") requested the approval of the City to develop a new, approximately 375,000 square-foot retail shopping center including a two-level, approximately 188-space parking garage (named "CityPlace") at the property located at 935-939, 941-945, and 947-965 Market Street, situated on the south side of Market Street between 5<sup>th</sup> and 6<sup>th</sup> Streets. The Planning Commission is expected to consider CityPlace for approval in July 2010.
- Developer recognizes the importance of Market Street as a major pedestrian, transit, and bicycle corridor and wishes to donate \$200,000 to the SFMTA to pay for the planning and construction of pedestrian, transit, and/or bicycle improvements on Market Street between 5<sup>th</sup> and 6<sup>th</sup> Streets and on 5<sup>th</sup> Street between Market and Mission Streets, so as to improve the public realm around the CityPlace project ("Gift").
- Acceptance of the Gift and subsequent implementation of any projects funded by the Gift shall be subject to the terms listed in the attached Agreement, which has been reviewed by the City Attorney's Office.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Agreement for Payment of Funds

**APPROVALS:**

**DATE**

DIRECTOR OF DIVISION

PREPARING ITEM \_\_\_\_\_

FINANCE \_\_\_\_\_

EXECUTIVE DIRECTOR/CEO \_\_\_\_\_

SECRETARY \_\_\_\_\_

ADOPTED RESOLUTION

BE RETURNED TO Oliver Gajda

**ASSIGNED SFMTAB CALENDAR DATE:** \_\_\_\_\_

## **PAGE 2.**

### **PURPOSE**

This calendar item requests the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors to authorize the Executive Director/CEO to accept a donation in the amount of \$200,000 from 949 Market Street Associates to fund the planning and construction of various transit, pedestrian and bicycle safety improvements.

### **GOAL**

The project intends to fulfill the following goals and objectives of the SFMTA Strategic Plan:

Goal 1 – Customer Focus: To provide safe, accessible, reliable, clean and environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First Policy.

Objective - 1.1 - Improve safety and security across all modes of transportation

Goal 2 – To get customers where they want to go, when they want to be there.

Objective - 2.3 Fulfill bicycle and pedestrian network connectivity

Goal 4 – To ensure financial stability and effective resource utilization.

Objective – 4.1 Increase revenue by 20% or more by 2012 by improving collections and identifying new sources

### **DESCRIPTION**

The area surrounding the intersection of 5<sup>th</sup> Street and Market Street in downtown San Francisco is a popular retail destination and serves as a vital node in the City's transportation network. Pedestrians shopping, eating and going to work in the area fill the sidewalks. Multiple transit lines serve the Market Street, Mission Street and 5<sup>th</sup> Street corridors. Market Street is one of the most heavily used bicycle routes in the City. High volumes of private automobiles and commercial vehicles access the various businesses and parking garages in the area. Due to these factors, and in light of the SFMTA's goal of continually improving the safety, accessibility and comfort of the public realm to encourage the use auto-alternative modes of transportation, the SFMTA has identified the area as needing pedestrian, bicycle and transit safety infrastructure investment. The SFMTA is therefore seeking funding sources to identify, prioritize, and implement these various street improvements.

In November 2005, 949 Market Street Associates, LLC ("Developer") requested the approval of the City to develop a new, approximately 375,000 square-foot retail shopping center including a two-level, approximately 188-space parking garage ("CityPlace") at the property located at 935-939, 941-945, and 947-965 Market Street, situated on the south side of Market Street between 5<sup>th</sup> and 6<sup>th</sup> Streets. The City Planning Commission is expected to consider the CityPlace development project for approval in July 2010. If all of the necessary approvals are granted, the Developer has offered to make a \$200,000 donation to the SFMTA to pay for the planning and construction of pedestrian, transit, and/or bicycle improvements on Market Street between 5<sup>th</sup> and 6<sup>th</sup> Streets and on 5<sup>th</sup> Street between Market and Mission Streets, to improve the streetscape around the CityPlace project ("Gift").

## **PAGE 3.**

Under the proposed Agreement, Developer would submit \$50,000 within six months of the date of approval of CityPlace. The “date of approval” is defined as the date when the project has been fully approved by the City and an appeals, including any litigation, have been finally resolved. The Developer would pay the remaining \$150,000 on or before it submits the final design documents for CityPlace to the Department of Building Inspection.

## **Planning Study**

The initial Gift payment of \$50,000 would be used to undertake a comprehensive planning process to identify and prioritize the pedestrian and bicycle safety needs of the project area, including community outreach. After potential projects have been identified and prioritized, and all environmental review has been completed, the Gift will further fund the construction of up to \$150,000 in public improvements in the area.

## **Potential Projects to be Studied:**

SFMTA staff has identified the following potential pedestrian and bicycle safety improvement projects that will be further studied and prioritized as part of the planning process using the Gift. Others may be added for study based on feedback from the community.

- **Bike Racks:** Anchored to the sidewalk, bike racks could provide the riding public a convenient and secure place to lock their bikes while they patronize nearby businesses.
- **Bike-Share Pod:** The City is seeking a bike-sharing program where users could use publicly owned bikes to make trips between destinations. Such a program would require stations or “Bike-Share Pods” where shared bikes could be stored, locked and then used by the next user.
- **Muni Boarding Island Enhancements:** For safety, a colored pavement treatment, additional pavement markings, and signage could be installed. In addition, landscaping could be added to each of the islands’ approaches.
- **Bike Lane:** A southbound Class 2 bike lane could be added to on 5<sup>th</sup> Street.
- **Raised Crosswalk at Stevenson:** A raised crosswalk across Stevenson Street at 5<sup>th</sup> Street would help the walking public as a traffic calming tool.
- **5<sup>th</sup> and Market Street Crosswalk Rehabilitation:** Repaving and restoring the existing crosswalk in kind. Like most Market Street crosswalks in the area, the crosswalks are textured brick colored concrete.
- **Painted Bike Lane:** Installation of a green bike lane on Market Street in the vicinity of the Project.



**PAGE 4.**

## **ALTERNATIVES CONSIDERED**

The alternative of not accepting the Gift was considered. Not accepting the gift would lead to no pedestrian and bicycle safety improvements in the project area since no other funding source has been identified.

## **FUNDING IMPACT**

Accepting the Gift will provide the necessary funding to complete planning and implementation of pedestrian and bicycle improvements that have no other identified funding source. Staff may also identify competitive grants or request sales tax funding to supplement the Gift in order to maximize this opportunity for improving the public realm.

## **OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The City Attorney has reviewed this report. The Board of Supervisors will have to approve the gift under Administrative Code Section 10.100-305.b.

## **RECOMMENDATION**

Staff recommends that the San Francisco Municipal Transportation Agency Board of Directors authorize the Executive Director/CEO to accept the Gift.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) is committed to improving the safety, accessibility and comfort of the public realm to encourage the use of auto-alternative modes of transportation; and,

WHEREAS, SFMTA staff have identified the area on Market Street between 5<sup>th</sup> and 6<sup>th</sup> Streets and on 5<sup>th</sup> Street between Market and Mission Streets as needing a variety of pedestrian, bicycle and transit safety improvements; and,

WHEREAS, 949 Market Street Associates, LLC ("Developer") wishes to develop a new, approximately 375,000 square-foot retail shopping center including a two-level, approximately 188-space parking garage ("CityPlace") at the property located at 935-939, 941-945, and 947-965 Market Street, situated on the south side of Market Street between 5<sup>th</sup> and 6<sup>th</sup> Streets; and,

WHEREAS, Developer recognizes the importance of Market Street as a major pedestrian, transit, and bicycle corridor and wishes to donate \$200,000 to the SFMTA to pay for the planning and construction of pedestrian, transit, and/or bicycle improvements on Market Street between 5<sup>th</sup> and 6<sup>th</sup> Streets and on 5<sup>th</sup> Street between Market and Mission Streets, so as to improve the public realm around the proposed CityPlace retail center; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Executive Director/CEO to execute an Agreement for Payment of Funds with 949 Market Street Associates to accept a donation in the amount of \$200,000 to fund the planning and construction of various transit, pedestrian and bicycle safety improvements on Market Street between 5<sup>th</sup> and 6<sup>th</sup> Streets and on 5<sup>th</sup> Street between Market and Mission Streets; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors submits this matter to the Board of Supervisors for its approval pursuant to Administrative Code Section 10.100-305(b).

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of \_\_\_\_\_.

\_\_\_\_\_  
Secretary to the Board of Directors  
San Francisco Municipal Transportation

Agency

**ENCLOSURE 2**  
**AGREEMENT FOR PAYMENT OF FUNDS**

This Agreement ("Agreement"), dated as of \_\_\_\_\_ 2010, is made by and between 949 Market Street Associates, LLC ("949 Market"), a Delaware limited liability company, and the City and County of San Francisco (the "City"), a municipal corporation, by and through its Municipal Transportation Agency ("SFMTA").

**RECITALS**

**A.** In November 2005, 949 Market requested the approval of the City to develop a new, approximately 375,000 square-foot retail shopping center including a two-level, approximately 188-space parking garage (named "CityPlace") at the property located at 935-939, 941-945, and 947-965 Market Street, situated on the south side of Market Street between 5<sup>th</sup> and 6<sup>th</sup> Streets. The City is expected to consider CityPlace for approval in June 2010.

**B.** The SFMTA intends to study pedestrian, transit, and bicycle facility improvements for the purpose of creating new open spaces and pedestrian amenities on Market Street and Fifth Street in the vicinity of the CityPlace development. Implementation of any such projects shall be subject to the terms of this Agreement.

**C.** 949 Market recognizes the importance of Market Street as a major pedestrian, transit, and bicycle corridor and wishes to pay \$200,000 to the SFMTA to fund the planning and construction of pedestrian, transit, and/or bicycle improvements on Market Street between 5<sup>th</sup> and 6<sup>th</sup> Streets and on 5<sup>th</sup> Street between Market and Mission Streets, so as to improve the public realm around the CityPlace project (the "Payment").

**D.** The SFMTA is agreeable to accepting the Payment, subject to the terms and conditions set forth below.

**AGREEMENT**

**1. Term.** The Agreement shall commence on the Effective Date, and terminate upon completion of delivery of the Payment to the SFMTA.

**2. Amount and Timing of the Payment.** 949 Market shall pay a total of Two Hundred Thousand Dollars (\$200,000) to the SFMTA. The Payment shall be paid in two installments. 949 Market shall pay the first installment of Fifty Thousand Dollars (\$50,000) within six (6) months of the date of approval of CityPlace. The "date of approval" is defined as the date when all project approvals requested by 949 Market pursuant to the San Francisco Planning Code can no longer be appealed to any City board or commission and lawsuits challenging the project, if any, have been settled, dismissed with prejudice, or reached a final, non-appealable judgment. The six (6) month period shall be tolled during the pendency of any litigation filed against the CityPlace project. 949 Market shall pay the second installment of One Hundred Fifty Thousand Dollars (\$150,000) on or before 949 Market submits the architectural addendum to the Site Plan for CityPlace to the San Francisco Department of Building Inspection ("DBI").

**3. Use of Payment.** Subject to the provisions of Section 4 below, SFMTA agrees that it shall use the Payment to support the planning and/or construction of physical improvements to the portion of Market Street between 5<sup>th</sup> and 6<sup>th</sup> Streets, and/or the portion of 5<sup>th</sup> Street between Mission and Market Streets. SFMTA does not intend to perform any project prior to or unless it

accepts and receives the Payment. In order to determine which projects it may want to implement, the SFMTA will conduct a comprehensive pedestrian/bike study of 5th Street from Market Street to Mission Street in order to review and recommend a specific set of physical improvements, including establishing a prioritized implementation list. The study will include data collection for pedestrian and traffic-modeling, preliminary design, outreach, legislation, if required, and environmental review.

**4. Environmental Review.** The planning study and potential projects to be implemented shall be subject to a process of thorough public review and input and all necessary and appropriate approvals; that process must include environmental review under CEQA before a City agency, commission, board or any other City decision maker may consider approving any project deriving from the study; and any potential project will require discretionary approvals by a number of government bodies after public hearings and environmental review. Nothing in this Agreement commits, or shall be deemed to commit, the City or City agencies to approve or implement any project, and they may not do so until environmental review of the project as required under CEQA has been completed. The City and any other public agency with jurisdiction over any part of any project resulting from such study shall have the absolute discretion before approving the project to: (i) make such modifications to the project as may be necessary to mitigate significant environmental impacts; (ii) select other feasible alternatives to avoid or substantially reduce significant environmental impacts; (iii) require the implementation of specific measures to mitigate any specific impacts of the project; (iv) balance the benefits of the project against any significant environmental impacts before taking final action if such significant impacts cannot otherwise be avoided; and (v) determine whether or not to proceed with the project.

**5. Modification of Agreement.** The City and 949 Market reserve the right to amend or supplement this Agreement by mutual consent. It is agreed and understood that no alteration or variation to the terms of this Agreement shall be valid unless made in writing and signed by the authorized representatives of the parties, and that separate oral agreements or understandings shall not be binding on any of the parties.

**6. Effective Date; Termination.** This Agreement shall become effective on the date of the last signature of the parties after the Agreement is approved by the City as required by law. There are no intended third party beneficiaries of this MOU. The parties acknowledge and agree that this MOU is entered into for their benefit and not for the benefit of any other party. It shall remain in effect for each party until terminated in writing by either party. Either party has the right to terminate this Agreement upon thirty (30) days written notice to the other party.

**7. Notification of Limitations on Contributions.** The Payment is not a campaign contribution. However, 949 Market acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. 949 Market acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more.

**8. Notices.** Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, or by facsimile, and shall be addressed as follows:

To 949 Market: Jim Keary  
c/o Commonfund Realty, Inc.  
15 Old Danbury Road  
Wilton, CT 06897  
Phone: (203) 563-5187  
Email: JKeary@cfund.org

To SFMTA: Timothy N. Papandreou  
Deputy Director  
Sustainable Streets – Long Range Planning and Policy  
SFMTA Municipal Transportation Agency  
One South Van Ness Avenue, 7th Floor  
San Francisco, CA 94103-5417  
Phone: (415) 701 4333  
Email: timothy.papandreou@sfmta.com

with a copy to: Gibson, Dunn & Crutcher  
555 Mission Street, Suite 3000  
San Francisco, CA 94105  
Attn: Jim M. Abrams  
Phone: (415) 393-8370  
Fax: (415) 374-8405  
Email: jabrams@gibsondunn.com

**9. No Third Party Beneficiaries.** There are no intended third party beneficiaries of this Agreement. The parties acknowledge and agree that this Agreement is entered into for their benefit and not for the benefit of any other party.

**10. Agreement Binding on Successors.** This Agreement shall be binding on the heirs, successors and assigns of 949 Market.

**11. Assignment.** The services to be performed by the parties are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by either party unless first approved by written instrument executed and approved as required by applicable City law.

**12. Sunshine Ordinance.** In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

**13. Agreement Made in California; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

**14. Entire Agreement.** This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 5.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, duly authorized, on the date written above.

CITY AND COUNTY OF SAN FRANCISCO

San Francisco Municipal Transportation Agency

By \_\_\_\_\_  
Nathaniel P. Ford Sr.  
Executive Director/CEO

Approved as to Form:

Dennis J. Herrera  
City Attorney

By \_\_\_\_\_  
Robin M. Reitzes  
Deputy City Attorney

San Francisco Municipal Transportation Agency  
Board of Directors

Resolution No. \_\_\_\_\_

Dated: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Secretary, SFMTA Board of Directors

Board of Supervisors

Resolution No. \_\_\_\_\_

Dated: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Clerk of the Board

949 MARKET STREET ASSOCIATES,  
L.L.C.,

By: CFRI 949 Market Street, L.L.C.,  
a Delaware limited liability  
company, its managing member

By: CRI Property Trust, a Maryland  
real estate investment trust

By: \_\_\_\_\_

Name: Jim Keary

Its: \_\_\_\_\_

**THIS PRINT COVERS CALENDAR ITEM NO. : 10.4**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

Resolution authorizing the Executive Director/CEO to execute the Clipper<sup>SM</sup> Program Memorandum of Understanding with the Metropolitan Transportation Commission and Bay Area transit operators to replace the existing TransLink® Interagency Participation Agreement.

**SUMMARY:**

- Clipper<sup>SM</sup> (formerly known as TransLink®) is a regional transit fare payment system (smart card) for the nine-county San Francisco Bay Area.
- The Metropolitan Transportation Commission (MTC), the contracting agency for the Clipper<sup>SM</sup> contract, and the major Bay Area transit operators, including the SFMTA, negotiated the TransLink® Interagency Participation Agreement (IPA), which became effective on December 12, 2003.
- The IPA established a TransLink® Consortium for joint decision-making in the implementation of TransLink®, and was governed by a TransLink® Management Group (TMG) comprised of the general managers of the transit operators and the Executive Director of MTC.
- In anticipation of MTC withdrawing from the Consortium, the TMG convened a working group to identify a permanent governance model as the Program moved from a planning to an operational mode.
- It was eventually decided that MTC would govern the Program, and would enter into a contract with the transit operators that would be based in the IPA and set forth their respective roles regarding the operations and maintenance of the Clipper<sup>SM</sup> fare collection system.

**ENCLOSURES:**

1. MTC Proposed Memorandum of Understanding

**APPROVALS:**

**DATE**

DIRECTOR OF DIVISION

PREPARING ITEM \_\_\_\_\_

\_\_\_\_\_

FINANCE \_\_\_\_\_

\_\_\_\_\_

EXECUTIVE DIRECTOR/CEO \_\_\_\_\_

\_\_\_\_\_

SECRETARY \_\_\_\_\_

\_\_\_\_\_

ADOPTED RESOLUTION

BE RETURNED TO Diana Hammons

**ASSIGNED SFMTAB CALENDAR DATE:** \_\_\_\_\_



## **PURPOSE**

The purpose of the calendar item is to authorize the Executive Director/CEO to execute the Clipper<sup>SM</sup> Program Memorandum of Understanding with the Metropolitan Transportation Commission to replace the existing TransLink® Interagency Participation Agreement.

## **GOALS**

The execution of the MOU would assist the SFMTA in meeting the following strategic goals:

- Goal 1:** Customer Focus: To provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First policy.
- Objective 1.4 – Improve accessibility across transit services.  
Objective 1.5 – Increase percentage of trips using more sustainable mode (such as transit, walking, bicycling, rideshare).
- Goal 2:** External Affairs/Community Relations: To improve the customer experience, community value, and enhance the image of the SFMTA, as well as ensure SFMTA is a leader in the industry.
- Objective 3.4 – Enhance proactive participation and cooperatively strive for improved regional transportation.
- Goal 3:** Financial Capacity: To ensure financial stability and effective resource utilization.
- Objective 4.2 – Ensure the effective use of resources.

## **DESCRIPTION**

The Clipper<sup>SM</sup> MOU, once executed, would replace the Interagency Participation Agreement that has been in place since December 12, 2003. The IPA, which was entered into by the MTC and participating transit agencies, including the SFMTA, created a TransLink® Consortium for joint agency decision-making to implement, operate and maintain the regional fare payment system in the San Francisco Bay Area. The Consortium was governed by a TransLink® Management Group (TMG) comprised of the general managers of the transit operators and the Executive Director of MTC

Last year, in anticipation of MTC withdrawing from the Consortium, the TMG appointed a working group to begin a review of the governance model. It was agreed among the stakeholders that another vehicle would need to be put in place to continue to govern obligations of MTC and the participating transit agencies to operate and maintain TransLink®, which has been re-branded as Clipper<sup>SM</sup>. On November 13, 2009, MTC formally gave notice that it would withdraw from the TransLink® Consortium and take over sole governance of the Program, effective July 1, 2010

Under the proposed MOU, MTC, as the contracting agency for the Clipper<sup>SM</sup> contract with Cubic Transportation Systems, Inc., will oversee and administer the project throughout the

contract term, which ends November 2, 2019. The proposed MOU, which is based on the IPA, formalizes the respective obligations of MTC and the participating transit operators regarding the operation, maintenance and allocation of costs and revenues for the Clipper<sup>SM</sup> automated fare payment system. The basic provisions of the MOU are as follows:

1. *High-level responsibilities of MTC and the Operators:*

**MTC:**

- confirm existing obligations under the Clipper<sup>SM</sup> Contract to collect and disperse revenues to the participating agencies, according to the stated cost and revenue sharing formula;
- acknowledge responsibility for management of bank accounts and fiduciary duty to the cardholders;
- notify Operators of changes to Operating Rules, participate in consultation process on Rules changes, and provide regular reports to the Operators;
- pay fixed operating costs, specified variable costs and other lump sum and capital costs, and operator incentive fees;
- make project records available to the operators.

**Transit Operators:**

- implement and operate Clipper<sup>SM</sup>;
- pay specified variable operating costs;
- accept ownership of equipment one year after acceptance.

2. *Cost and revenue allocation formula.*

- The formula first adopted in the IPA is carried into the MOU with minor revisions. Operating costs allocated to MTC and the Operators are specifically described, and any changes require an amendment to the MOU. Operators agree to periodic reviews of the cost allocation formula to support fairness among Operators and accommodate changes.

3. *Process for dispute resolution.*

- The proposed process first calls for informal dispute resolution and then allows escalation to mediation or arbitration, binding or nonbinding, as agreed by the parties.

4. *Process for Operator input on MTC-proposed changes to Operating Rules.*

- MTC will provide at least 90 days notice for any changes impacting Operators' roles and responsibilities, and consult further with Operators, if requested. Disagreement about changes impacting Operators are subject to the dispute resolution process in the MOU.

5. *Process for new operator participation.*

- To implement Clipper<sup>SM</sup>, an agency must sign a supplemental agreement with MTC agreeing to the terms of the MOU. MTC will not sign a supplemental agreement until Cubic and the operator are ready to implement Clipper<sup>SM</sup>.

6. *Term of the MOU.*

- The MOU is effective on the date when all parties have signed the MOU and will terminate at conclusion of the Clipper Contract (November 2, 2019), unless otherwise terminated by the parties.

## **ALTERNATIVES CONSIDERED**

The TMG considered a variety of governance models including a Joint Powers Authority and consortium models. Based on input from TMG member agencies, none of the governance models received final recommendation. The TMG also contemplated sole governance by MTC as an option.

## **FUNDING IMPACT**

Clipper costs and revenues will be allocated in a similar manner to that currently provided for under the expiring IPA. These cost allocation formula is detailed in Appendix B of the MOU. The direct costs to the SFMTA under this agreement are estimated as follows for the term of the agreement:

### ***Estimated Annual Payments***

FY11	\$ 1,311,312	FY16	\$ 5,490,827
FY12	\$ 3,816,826	FY17	\$ 5,623,924
FY13	\$ 5,138,476	FY18	\$ 5,792,642
FY14	\$ 5,307,191	FY19	\$ 5,966,421
FY15	\$ 5,362,289	Total	\$ 43,809,908

## **OTHER APPROVALS OBTAINED OR STILL REQUIRED**

Approval of the participating transit operators, including AC Transit, BART, Golden Gate Transit District, SamTrans, and VTA are pending. The Peninsula Corridor Joint Powers Board (Caltrain) approved the MOU on June 3, 2010. Board of Supervisors approval is also required.

## **RECOMMENDATION**

Staff recommends that the San Francisco Municipal Transportation Agency Board of Directors authorize the Executive Director/CEO to execute the Clipper Memorandum of Understanding as proposed.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, SB 1474 (Statutes 1996, Chapter 256; adding Government Code § 66516.5) authorizes the Metropolitan Transportation Commission (MTC) to identify those functions performed by individual public transit systems that could be consolidated to improve the efficiency of regional transit service, and recommend that those functions be consolidated and performed through inter-operator agreements or as services contracted to a single entity; and

WHEREAS, TransLink® is an automated fare collection system for intra- and inter-operator transit trips to be implemented and operated on Bay Area transit systems; and,

WHEREAS, On December 12, 2003, MTC and various Bay Area transit operators entered into the TransLink® Interagency Participation Agreement (IPA) to establish the TransLink® Consortium, which created a forum for joint agency decision-making for the successful implementation of TransLink®; and

WHEREAS, The TransLink® Consortium has been governed by a TransLink® Management Group (TMG) comprised of the general managers of the transit operators and the Executive Director of MTC; and

WHEREAS, Under the IPA, MTC and the transit operators agreed to share the variable operating costs of the TransLink® fare collection system according to the cost allocation formula set forth in the Agreement; and

WHEREAS, Full rollout of TransLink®, which has been renamed Clipper<sup>SM</sup>, will improve regional accessibility to transit by simplifying fare payment and customer transfers across multiple operators; and,

WHEREAS, MTC is the contracting agency for the Clipper<sup>SM</sup> contract with Cubic Transportation Systems, Inc.; and,

WHEREAS, On November 13, 2009, MTC gave formal notice of its intention to withdraw from the TransLink® Consortium and take over sole governance of the Program, effective July 1, 2010;

WHEREAS, MTC has negotiated a proposed Memorandum of Understanding with the SFMTA and other transit agencies that are parties to the IPA for the future operation and maintenance of the Clipper<sup>SM</sup> Program; and

WHEREAS, The important provisions of the proposed MOU, which is based on the IPA, are attached to this resolution as Exhibit A; and

WHEREAS, On June 28, 2010, the TMG voted to terminate the IPA, effective upon final execution of the proposed MOU by all parties; now, therefore, be it;

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Executive Director/CEO to execute a Memorandum of Understanding with MTC, the Alameda-Contra Costa Transit District, the Golden Gate Bridge Highway and Transportation District, the San Francisco Bay Area Rapid Transit District, the City and County of San Francisco, acting by and through its Municipal Transportation Agency, the San Mateo County Transit District, the Santa Clara Valley Transportation Authority, and the Peninsula Corridor Joint Powers Board for the future operation and maintenance of the Clipper<sup>SM</sup> Program, in accordance with the provisions attached as Exhibit A; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors directs the Executive Director/CEO to submit the MOU to the Board of Supervisors for its approval..

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at their meeting of \_\_\_\_\_.

---

Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

**MEMORANDUM OF UNDERSTANDING  
REGARDING OPERATIONS AND MAINTENANCE OF  
CLIPPER<sup>SM</sup> FARE COLLECTION SYSTEM**

This Clipper<sup>SM</sup> Memorandum of Understanding (“MOU”) is entered into as of the date on which all Parties listed below have signed the MOU (“Effective Date”), by and among the Metropolitan Transportation Commission (“MTC”) and the following transit operators participating in the Clipper<sup>SM</sup> program (referred to herein as “Operator” or “Operators”):

Alameda-Contra Costa Transit District (“AC Transit”); Golden Gate Bridge Highway and Transportation District (“GGBHTD”); the San Francisco Bay Area Rapid Transit District (“BART”); the City and County of San Francisco, acting by and through its Municipal Transportation Agency (“MTA”); the San Mateo County Transit District (“SamTrans”); the Santa Clara Valley Transportation Authority (“VTA”); the Peninsula Corridor Joint Powers Board (“Caltrain”); and any other transit operators that implement Clipper and execute this MOU after the Effective Date.

MTC and the Operators are referred to herein as “the Parties” or individually, as a “Party”.

**Recitals**

1. Clipper<sup>SM</sup> (formerly TransLink<sup>®</sup>) is an automated fare payment system for intra- and inter-operator transit trips in the San Francisco Bay Area that has been implemented and is currently being operated on Operators’ transit systems.
2. MTC has entered into a contract (“the Clipper<sup>SM</sup> Contract”) with Cubic Transportation Systems, Inc. (“Clipper<sup>SM</sup> Contractor”) to operate and maintain Clipper<sup>SM</sup> through November 2, 2019.
3. On December 12, 2003, MTC and six of the Operators entered into an interagency participation agreement (“IPA”) to create a forum for joint agency decision-making called the TransLink<sup>®</sup> Consortium to work towards the successful implementation of Clipper<sup>SM</sup>, which agreement was terminated by the Consortium as of the Effective Date.
4. The IPA included provisions assigning responsibilities to MTC and the Operators relative to the implementation, operation and maintenance of the program, including the payment of the operating fees due the Clipper<sup>SM</sup> Contractor.
5. MTC and the Operators now wish to agree to their continuing obligations to ensure the successful operation and maintenance of Clipper<sup>SM</sup>.

## ***Article I***

### **Operator Responsibilities**

Each Operator that is a signatory to this MOU agrees to:

- A. Implement and operate the Clipper<sup>SM</sup> fare payment system in accordance with the Clipper<sup>SM</sup> Operating Rules, as adopted and amended from time to time by MTC, consistent with the consultation and approval process set forth in Appendix A, Process for Amending Clipper<sup>SM</sup> Operating Rules, attached hereto and incorporated herein by this reference. The Clipper<sup>SM</sup> Operating Rules establish operating parameters and procedures for the consistent and efficient operation of Clipper<sup>SM</sup> throughout the region and the current version is available on MTC's website at <http://www.mtc.ca.gov/planning/tcip/>.
- B. Pay its share of Clipper<sup>SM</sup> costs, according to Appendix B, Clipper<sup>SM</sup> Cost and Revenue Allocation, attached hereto and incorporated herein by this reference. Notwithstanding any contrary survival provisions of the IPA, Appendix B shall supersede Appendix A to the IPA, as of the Effective Date. Changes to Appendix B require an amendment to the MOU in accordance with Article VIII.A.
- C. Make its facilities and staff available to MTC and the Clipper<sup>SM</sup> Contractor for implementation and operation of Clipper<sup>SM</sup>. Any Operator and MTC may agree to an operator-specific implementation plan, setting forth specific requirements regarding implementation and operation of Clipper<sup>SM</sup> for such Operator.
- D. Make determinations regarding the placement of Clipper<sup>SM</sup> equipment on the Operator's facilities and equipment; perform necessary site preparation; attend Clipper<sup>SM</sup> Contractor training on the use of the Clipper<sup>SM</sup> equipment; and provide training to employees using the equipment.
- E. Accept transfer of ownership of equipment one year following Conditional Acceptance by each Operator, as defined in Section 8.3 of the Clipper<sup>SM</sup> Contract (or for Phase 3 or other new Operators one year following Acceptance, as established by contract change order.) Maintain and track a list of all equipment in accordance with Federal Transit Administration requirements.
- F. Participate in periodic reviews of the cost and revenue allocation formula in Appendix B.1, to support fairness among Operators and to accommodate changes in shared operation costs.

## ***Article II***

### ***MTC Responsibilities***

MTC agrees to:

- A. Operate the Clipper<sup>SM</sup> fare payment system on behalf of the Operators and carry out the duties and responsibilities of contracting agency for the Clipper<sup>SM</sup> Contractor through the Term of the Clipper Contract.

- B. Notify and consult with the Operators concerning changes to the Operating Rules affecting Operator Roles and Responsibilities, consistent with the process described in Appendix A.
- C. Fund a portion of the Clipper<sup>SM</sup> operating and maintenance costs, as set forth in Appendix B.
- D. Transfer ownership of capital equipment to each Operator receiving such equipment one year following Conditional Acceptance of such equipment under the Clipper<sup>SM</sup> Contract as defined in Section 8.3 of the Clipper<sup>SM</sup> Contract (or for Phase 3 or other new Operators, one year following Acceptance, as established by contract change order), in accordance with FTA requirements.
- E. Provide regular updates (at least quarterly) on the Clipper<sup>SM</sup> program to the Operators.
- F. Support the Operators with respect to Article I.F, by providing system data affecting the cost allocation formula.
- G. Hold and manage the Clipper<sup>SM</sup> bank accounts and act as an agency in trust for the benefit of the cardholders for funds deposited by the cardholders for the ultimate use with the Operators and for the benefit of the Operators for funds due to Operators until dispersed to such Operators.
- H. Retain all books, papers, records, documents, and other materials pertaining to its responsibilities under Appendix B (“the Materials”) in accordance with federal grant and audit requirements and generally accepted accounting principles and make the Materials available to Operators upon request through reasonable means and at reasonable times. Operators may request that Materials be made available for the most recently closed fiscal year during the Term and for up to one year thereafter; provided, however, that nothing in this Article II.H is intended to limit an Operator’s rights to obtain records under the California Public Records Act (Government Code Section 6250 *et seq.*)
- I. Conduct an annual contract compliance audit covering MTC revenue collection and allocation and cost allocation responsibilities under the MOU and provide a copy of the complete audit report to all Operators upon conclusion of each such annual audit.

### Article III

#### **New Operator Participants**

Any Bay Area transit operator not a Party to this Agreement must agree to the terms of the MOU then in effect as a condition of implementing Clipper<sup>SM</sup>, by entering into a supplemental agreement with MTC. Signature by the other Parties to the MOU is not required. MTC agrees that it will not enter into a supplemental agreement with a particular operator prior to the issuance of a Change Notice to the Clipper<sup>SM</sup> Contract covering the work required to accept such operator into the system. MTC agrees to provide the other Parties to the MOU with written notice of each supplemental agreement.



## Article IV

### ***Indemnification***

- A. Mutual Indemnification. No Party to this MOU (including any of its directors, commissioners, officers, agents or employees) shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by any other Party under or in connection with this Agreement. Pursuant to Government Code Section 895.4, each Party agrees to fully indemnify and hold other Parties harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by such indemnifying Party under or in connection with this Agreement and for which such indemnifying Party would otherwise be liable.
- B. MTC Indemnification of Operators. Notwithstanding the provisions of Subsection A above, MTC shall indemnify, hold harmless, and defend the Operators from any and all claims or liability resulting from any action or inaction on the part of MTC relating to the Clipper<sup>SM</sup> Contract or from its failure to carry out its responsibilities under Article II of this MOU. This indemnification covers action or inaction on the part of MTC relating to the Clipper<sup>SM</sup> Contract prior to the Effective Date of the MOU.
- C. Operator Indemnification of MTC. Notwithstanding the provisions of Subsection A above, each Operator shall indemnify, hold harmless, and defend MTC from any and all claims or liability resulting from any action or inaction on the part of such Operator relating to its responsibilities under Article I of this MOU.

## ***Article V***

### **Term and Termination/Withdrawal**

- A. Term. The term of the MOU shall begin upon the Effective Date and continue through November 2, 2019 (“the Term”), unless terminated by written agreement of the Parties or as provided in Article V.B below.
- B. Withdrawal. A Party to the MOU may withdraw from the MOU by two hundred forty (240) day advance written notice to all current signators to the MOU. Articles IV and VI and Appendices B and C shall survive a Party’s withdrawal from the MOU.

## ***Article VI***

### ***Dispute Resolution***

The Parties agree to abide by the dispute resolution procedures in Appendix C, Dispute Resolution, attached hereto and incorporated herein by this reference, to resolve disputes between or among Parties to the MOU.

## ***Article VII***

### ***Changed Circumstances***

Any Party may initiate informal discussions among the Parties concerning the provisions of this MOU, based on its assessment that changes in technology or other factors external to the MOU or the Clipper<sup>SM</sup> Contract indicate that it would be in the best interests of one or more Parties to consider revisions to the MOU. If a majority of Parties agree, the Parties will then jointly evaluate the changed circumstances to determine what, if any, revisions to the MOU are necessary or desirable. Any agreed-upon changes would require an amendment to the MOU approved by all Parties.

## ***Article VIII***

### ***General Provisions***

- A. The entire Agreement between and among the Parties is contained herein, and no change in or modification, termination or discharge of this MOU shall be valid or enforceable unless it is approved by the Parties and made in writing and signed by the Parties.
- B. Headings in this MOU are for convenience only and not intended to define, interpret or limit the terms and conditions herein.
- C. This MOU may be executed in one or more counterpart, each of which shall be considered an original and all of which shall constitute a single instrument.
- D. This MOU is intended for the sole benefit of the Parties and is not intended to nor shall be construed to confer any benefit or create any right in any third party.
- E. Appendix D, Special Provisions, attached hereto and incorporated herein by this reference, sets forth the terms and conditions required by the City and County of San Francisco in any contracts or agreements entered into by them.
- F. If any provision of this MOU or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this MOU, or the application of such provision to persons, entities or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this MOU shall be valid and be enforceable to the fullest extent permitted by law.
- G. Notices provided under the MOU shall be provided to the individuals listed in Appendix E, Notices, attached hereto and incorporated herein by this reference. Each Party to the MOU is responsible for notifying other Parties of a change in the individual designated to receive notices in writing. Changes to Appendix E

may be made by any Party without an amendment to this MOU. MTC will distribute to every other Party the notice information of new Parties to the MOU added pursuant to Article III.

- H. This MOU supersedes and replaces the IPA or, if the TransLink<sup>®</sup> Consortium has been terminated by its members, the surviving provisions of the IPA.

IN WITNESS WHEREOF, this MOU has been duly authorized and executed by the Parties hereto on the dates specified below.

**Metropolitan Transportation Commission**

Approved as to Form:

\_\_\_\_\_  
Steve Heminger, Executive Director

\_\_\_\_\_  
Melanie J. Morgan  
Deputy General Counsel

Date: \_\_\_\_\_

**Alameda Contra Costa Transit District**

Approved as to Form:

\_\_\_\_\_  
Mary King, Interim General Manager

\_\_\_\_\_  
Ken Scheidig, General Counsel

Date: \_\_\_\_\_

**Golden Gate Bridge Highway and Transportation District**

Approved as to Form:

\_\_\_\_\_  
Celia G. Kupersmith, General Manager

\_\_\_\_\_  
David J. Miller  
General Counsel

Date: \_\_\_\_\_

**San Francisco Bay Area Rapid Transit District**

Approved as to Form:  
Office of the General Counsel

\_\_\_\_\_  
Dorothy Dugger, General Manager

\_\_\_\_\_  
Matt Burrows  
General Counsel

Date: \_\_\_\_\_

**City and County of San Francisco  
Municipal Transportation Agency**

Approved as to Form:  
Dennis J. Herrera, City Attorney

\_\_\_\_\_  
Nathaniel P. Ford Sr.  
Executive Director/CEO

\_\_\_\_\_  
Robin M. Reitzes  
Deputy City Attorney

Date: \_\_\_\_\_

Municipal Transportation Agency Board of Directors

Resolution No. \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Secretary, MTAB

**San Mateo County Transit District**

Approved as to Form:

\_\_\_\_\_  
Michael Scanlon, General Manager and  
Chief Executive Officer

\_\_\_\_\_  
David J. Miller  
General Counsel

Date: \_\_\_\_\_

**Santa Clara Valley Transportation Authority**

Approved as to Form:

\_\_\_\_\_  
Michael T. Burns, General Manager

\_\_\_\_\_  
Kevin Allmand  
General Counsel

Date: \_\_\_\_\_

**Peninsula Corridor Joint Powers Board**

Approved as to Form:

\_\_\_\_\_  
Michael Scanlon, Executive Director

\_\_\_\_\_  
David J. Miller  
General Counsel

Date: \_\_\_\_\_

***Appendix A – Process for Amending Clipper<sup>SM</sup> Operating Rules***

***Appendix B - Clipper<sup>SM</sup> Cost and Revenue Allocation***

***Appendix C – Dispute Resolution***

***Appendix D – Special Provisions***

***Appendix E – Notices***

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## **Appendix A**

### **Process for Amending Clipper<sup>SM</sup> Operating Rules**

1. MTC will provide written notice to Operators at least ninety (90) days in advance of making any changes to the Operating Rules affecting Operator Roles and Responsibilities (Section 3 of the Clipper<sup>SM</sup> Operating Rules). Notice shall be provided by email to the contact named in Appendix E, or as subsequently revised or updated by the Operators, as provided in Article VIII.G.
2. MTC will endeavor to provide additional notice to Operators on possible changes to the Operating Rules affecting Operator Roles and Responsibilities in the regular Clipper<sup>SM</sup> program reports furnished under Article II.E.
3. MTC's notice shall include enough information to enable Operators to determine the financial and other impacts of the proposed change.
4. If requested by any Operator within 30 days of issuance of such notice, MTC will consult with all affected Operators concerning the proposed change prior to its adoption.
5. Any Operator that requires additional time in excess of the notice period specified by MTC to implement a change may notify MTC of the additional period of time required during the initial 30-day notice period. MTC will then work with the Operator(s) during the consultation period to modify the effective date and/or content of the Operating Rules change, as necessary.
6. Following such consultation process, if any Operator(s) objects to the proposed change, as modified during the consultation process, such Operator(s) may initiate one or more of the dispute resolution processes described in Appendix C.
7. MTC agrees to delay the implementation of the disputed change until the conclusion of the dispute resolution process.

## Appendix B

### Clipper<sup>SM</sup> Cost and Revenue Allocation

#### 1. Cost Allocation Among Operators

The allocation of Clipper<sup>SM</sup> operating costs to each Operator shall be based on a combination of revenue collected and the number of fee payment transactions processed. “Revenue collected” shall mean the fee collected on behalf of each Operator by the Clipper<sup>SM</sup> clearinghouse (*e.g.*, the price charged to ride on the Operator’s transit system, the value of pass sales, the amount of parking fees paid). A “fee payment transaction” shall mean any activity in which a Clipper<sup>SM</sup> card is used to receive service on or from an Operator’s system (*e.g.*, to ride on the Operator’s transit system, to park on the Operator’s property). A fee payment transaction shall be attributed to the Operator on whose system the service was provided, except that a transaction in which a patron uses a Muni Fast Pass to ride BART will be attributed to MTA. All fee payment transactions are included for purposes of allocating Clipper<sup>SM</sup> operating costs, regardless of whether the transaction results in a reduction of the amount of stored value or stored rides on a Clipper<sup>SM</sup> card (*e.g.*, use of a monthly pass on a transit system, intra-operator transfers, entry and exit transactions for a single ride where both transactions are required to compute the appropriate fare payment).

One-third (1/3) of Clipper<sup>SM</sup> operating costs shall be allocated to Operators based on each Operator’s share of total revenue collected by the Clipper<sup>SM</sup> clearinghouse, as defined above. Two-thirds (2/3) of Clipper<sup>SM</sup> operating costs shall be allocated to Operators based on each Operator’s share of total fee payment transactions processed by the Clipper<sup>SM</sup> clearinghouse, as defined above.

In addition to the Clipper<sup>SM</sup> operating costs allocated in accordance with Appendix B.2.B(i) herein, each Operator shall be responsible for payment of:

- a. Clipper<sup>SM</sup> Data Server (CDS) Store operating costs specified below for any TDS Store implemented on such Operator’s site; and
- b. Credit/debit interchange fees charged through an Operator-specific credit/debit gateway associated with Clipper<sup>SM</sup> sales through add value machines, ticket office terminal devices and ticket vending machines. This responsibility is subject to review pursuant to Article I.F to ensure that no single Operator is unfairly burdened by such fees.
- c. Incremental Clipper<sup>SM</sup> operating costs established by and/or resulting from Clipper<sup>SM</sup> Contract change orders requested and funded by an Operator for such Operator’s use and benefit shall be the responsibility of such Operator. This applies to costs or portions of costs that would otherwise be MTC’s responsibility as described below.



2. Clipper<sup>SM</sup> Costs

A. MTC Operating and Maintenance Costs. MTC shall pay the following Clipper<sup>SM</sup> operating costs:

- i. All fixed operating costs of the Clipper<sup>SM</sup> clearinghouse and equipment maintenance services costs as specified in the Clipper<sup>SM</sup> Contract's Price Schedule (Attachment 2 to the Clipper<sup>SM</sup> Contract) (the "Price Schedule"), including:
  - a. Item 3.20 Program Management – Operations and Maintenance
  - b. Item 3.30 Clipper<sup>SM</sup> Testbed Operations & Maintenance
  - c. Item 5.31 Operator Help Desk
  - d. Item 5.32 Reporting
  - e. Item 5.33 Asset Management
  - f. Item 6.0 Equipment Maintenance Services
  - g. Item 10.21(a) Location Acquisition
  - h. Item 10.22 Location Servicing and Support
  - i. Item 10.23 (a) Acquisition Payment for Third Party Location
  - j. Item 12.0 Network Management
  - k. Item 13.22 Basic Monthly Operations and Admin
- ii. Variable Clipper<sup>SM</sup> operating costs as specified in the Price Schedule (Attachment 2 to the Clipper<sup>SM</sup> Contract), specifically:
  - a. Item 8.0 Card Distribution Services
  - b. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
- iii. All other lump sum and capital expense items specified in the Price Schedule not enumerated above or covered by Section 2.B; and
- iv. \$7,120,000 in incentives to be allocated to Operators to pay operating costs, as shown in Section 4, Incentive Payments, below.

B. Operator Operating Costs.

- i. Operators shall pay the following listed Clipper<sup>SM</sup> operating costs in accordance with the cost sharing formula in Appendix B.1, reduced by any amounts payable by MTC pursuant to 2.A(iv) above. References to Item numbers refer to the corresponding prices payable to the Clipper<sup>SM</sup> Contractor under the Clipper<sup>SM</sup> Contract Price Schedule, which are subject to annual price adjustment as specified in Article 13.6 of the Clipper<sup>SM</sup> Contract:
  - a. Item 9.24 Balance Protection Services Registration
  - b. Item 9.25 Lock/unlock Clipper<sup>SM</sup> Application

- c. Item 9.41 Fixed and Incremental Fees Per Active Card Account (50% of the invoiced amount)
  - d. Item 10.11 Clipper<sup>SM</sup> E-purse Load
  - e. Item 10.12 Pass/Stored Ride Load
  - f. Item 11.0 Autoload Services
  - g. Item 12.22.89 Fixed Monthly Service Fee to Support Clipper<sup>SM</sup> Data Server Store
  - h. Item 13.22.45 Supplemental Monthly Operations and Admin (except as reduced by MTC in accordance with Section 4.1, Incentive Payments)
  - i. Item 13.31 Clipper<sup>SM</sup> Transaction Fee
  - j. Item 13.60 Incremental Gateway Fees
  - k. Item 13.70 Incremental Debit Card Interchange Fees
  - l. Item 13.80 Incremental Credit Card Interchange Fees
  - m. Item 13.90 Pass Through Website Credit Card Processing Fees
  - n. Reimbursement of MTC bank fees and direct bank charges in connection with the Clipper<sup>SM</sup> bank account(s) in excess of the amounts reimbursed under Section 3.A below
  - o. Direct payment or reimbursement of MTC costs for network communication.
- ii. Changes or Additions to Operator Operating Costs Items. Substantive changes or additions to the Operator-paid operating cost items set forth in B(i)(a-o) require an amendment to this Appendix B and approval of all Parties to the MOU as of the date of the change or addition.
- C. MTC shall invoice each Operator on a monthly basis for its share of the operating costs. The Operators shall pay MTC within fifteen (15) calendar days of receipt of such invoice.

### **3. Revenue Allocation**

Revenues generated by Clipper<sup>SM</sup> during any period of time, including interest earnings on funds held by the clearinghouse and excluding fare revenues or parking fees collected on behalf of and distributed to Operators, shall be utilized as follows:

- A. To offset MTC's bank fees and direct bank charges related to the managing of the Clipper<sup>SM</sup> accounts;
- B. After deduction of MTC's bank fees and charges under 3.A above, to reduce the Operators' Clipper<sup>SM</sup> operating costs listed in 2.B(i) above; and
- C. After payment of Operators' Clipper<sup>SM</sup> operating costs listed in 2.B(i) above, to be allocated to Operators using the formula specified in Section 1 herein.

Notwithstanding the above, fees charged cardholders for card acquisition, card replacement, balance restoration, failed Autoload funding recovery, card refund processing, and other card-related activities shall be reserved to pay for future card procurements; provided, however, that surcharges on limited use cards or other fare media imposed by an Operator to pay for the acquisition, implementation, administration and replacement of such fare media shall be distributed to and retained by such Operator. (For clarity, any surcharge imposed by an Operator as part of its fare structure shall be considered “fare revenue” and shall be distributed to and retained by such Operator.)

#### **4. Incentive Payments**

MTC’s \$10,000,000 in incentive funds shall be allocated to pay operating costs associated with Phase II as follows:

- (1) \$2,880,000 contingency to Contractor (for payment of Clipper<sup>SM</sup> Contract Price Schedule Item No. 13.22.45) for transaction assurances in the event minimum transaction volumes (20,000,000 transactions/month) are not achieved. If the minimum transaction volumes are met and these funds are not needed, MTC may reallocate the remaining funds to other purposes; and
- (2) \$7,120,000 to individual Operators, to be applied as a credit against Phase II variable operating costs, a portion of which has already been credited to certain individual Operators:

AC Transit	\$862,227
BART	2,128,016
Caltrain/SamTrans	484,744
Golden Gate Transit	634,239
MTA	2,327,503
SCVTA	683,271

## **Appendix C**

### **Dispute Resolution**

The Parties agree to resolve disputes concerning this MOU between or among one or more Parties based on the following dispute resolution principles.

#### ***1. Informal Dispute Resolution***

The Parties agree to attempt to resolve informally all disputes. In the event of a dispute among any Parties to the MOU, those Parties shall notify every other Party in writing about the substance of the dispute. The Parties to the dispute shall meet and confer by exchanging written positions on the dispute, and by meeting in person thereafter to discuss and resolve the dispute. If those representatives are unable to resolve the dispute, the chief executives of those Parties shall be informed of the substance of the dispute and provided all writings that have been exchanged regarding the dispute. The chief executives shall meet and confer in person or by telephone concerning the dispute, and may choose to exchange letters in preparation for the meet and confer.

#### ***2. Mediation***

If the dispute is not resolved, the Parties may avail themselves by mutual consent to mediation, arbitration (binding or non-binding), or any other dispute resolution resource (collectively "Alternate Dispute Resolution (ADR) processes"). All procedures and methodologies in ADR processes shall be by mutual consent of the Parties, including but not limited to the choice of the mediator or arbitrator, dates and times and timelines, whether documents are exchanged in preparation for the ADR session, etc. Fees and expenses of the mediator will be borne equally, unless otherwise agreed. The Parties to the dispute shall be represented by individuals of their choosing, except that the Parties must agree on the question of whether lawyers are present or not. The entire process shall be confidential and treated as a compromise negotiation for purposes of federal and state rules of evidence. If ADR processes are agreed on, the Parties shall agree on the identity of the mediator or arbitrator within 30 days of agreeing on the ADR process. The Parties shall not unreasonably withhold consent as to the choice of the mediator or arbitrator. Unless the schedule of the mediator or arbitrator does not permit, the Parties shall

have their ADR process completed within 60 days after agreement on the choice of the mediator or arbitrator. Nothing in this MOU affects the rights or abilities of the Parties to avail themselves of all rights and remedies they have under the law of California or federal law, and to the state or federal courts to resolve their dispute.

### ***3. Operator Obligations***

An Operator who disputes amounts claimed by MTC to be due under the MOU agrees to pay the amount claimed pending dispute resolution.

## Appendix D

### Special Provisions for the City and County of San Francisco.

(References to “City” in Paragraphs 1 and 2 refer to the City and County of San Francisco)

**1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City’s Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City’s obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor’s assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

**2. Guaranteed Maximum Costs.** The City’s obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

**3. Sunshine Ordinance.** In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors’ bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization’s net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

**4. Prohibition on Political Activity with City Funds.** In accordance with San Francisco Administrative Code Chapter 12.G, no funds appropriated by the City and County of San Francisco for this Agreement may be expended for organizing, creating, funding, participating in, supporting, or attempting to influence any political campaign for a candidate or for a ballot measure. The terms of San Francisco Administrative Code Chapter 12.G are incorporated herein by this reference.

## Appendix E

### Notices

Contact:	Mailing Address
<b>Metropolitan Transportation Commission:</b>	
Melanie Crotty Director, Traveler Coordination and Information Email: <a href="mailto:mcrotty@mtc.ca.gov">mcrotty@mtc.ca.gov</a> Fax: 510-817-5848 Phone: 510-817-5880	101 – 8 <sup>th</sup> St. Oakland, CA 94607
<b>Alameda Contra Costa Transit District</b>	
Mary King Interim General Manager Email: <a href="mailto:mking@actransit.org">mking@actransit.org</a> Fax: 510-891-7157 Phone: 510-891-4793	1600 Franklin St. Oakland, CA 94612
<b>Golden Gate Bridge Highway and Transportation District</b>	
Celia G. Kupersmith General Manager Email: <a href="mailto:ckup@goldengate.org">ckup@goldengate.org</a> Fax: 415-923-2367 Phone: 415-923-2212	Box 9000, Presidio Station San Francisco, CA 94129-0601
<b>San Francisco Bay Area Rapid Transit District</b>	
Larry Kozimor Project Manager, Transit System Development Email: <a href="mailto:lkozimo@bart.gov">lkozimo@bart.gov</a> Fax: 510-287-4860 Phone: 510-287-4723	300 Lakeside Drive, 21st Floor, Oakland, CA 94612
<b>City and County of San Francisco Municipal Transportation Agency</b>	
Nathaniel P. Ford Sr. Executive Director/CEO Email: <a href="mailto:Nathaniel.ford@sfmta.com">Nathaniel.ford@sfmta.com</a> Fax: 415-701-4502 Phone: 415-701-4687	1 South Van Ness Ave. 7th Floor San Francisco, CA 94103
<b>San Mateo County Transit District</b>	
Virginia Harrington Deputy CEO Email: <a href="mailto:harringtong@samtrans.com">harringtong@samtrans.com</a> Fax: 650-508-6415 Phone: 650-508-7950	1250 San Carlos Avenue, P.O. Box 3006 San Carlos, CA 94070-2468



<b>Contact:</b>	<b>Mailing Address</b>
<b>Santa Clara Valley Transportation Authority</b>	
Ali Hudda Deputy Director of Accounting Email: <a href="mailto:Ali.Hudda@vta.org">Ali.Hudda@vta.org</a> Fax: 408-955-9750 Phone: 408-546-7922	3331 North First St. San Jose, CA 95134-1906
<b>Peninsula Corridor Joint Powers Board</b>	
Virginia Harrington Deputy CEO Email: <a href="mailto:harringtong@samtrans.com">harringtong@samtrans.com</a> Fax: 650-508-6415 Phone: 650-508-7950	1250 San Carlos Avenue, P.O. Box 3006 San Carlos, CA 94070-2468

San Francisco Municipal Transportation Agency

Board of Directors

Resolution No. \_\_\_\_\_

Adopted: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Secretary, SFMTA Board of Directors

**THIS PRINT COVERS CALENDAR ITEM NO: 10.5**

**SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY  
City and County of San Francisco**

**DIVISION:** Administration, Taxis & Accessible Services

**BRIEF DESCRIPTION:**

Approving the negotiated an amendment to the agreement between the San Francisco Municipal Transportation Agency (SFMTA) and the Municipal Executive Association (MEA), which reduces the SFMTA obligations for the term of the CBA from July 1, 2010 through June 30, 2012.

**SUMMARY:**

- Charter Sections 8A.104 provides that the SFMTA shall bargain labor agreements with employee organizations representing employees in service critical classifications.
- The Collective Bargaining Agreement (CBA) between SFMTA and MEA expires on June 30, 2011.
- The SFMTA negotiated an amendment that includes concessions to the existing CBA with MEA to save the agency approximately \$1,171,312. The terms of the amended CBA include:
  - 12 unpaid furlough days in FY 10/11
  - 12 unpaid furlough days in FY 11/12
  - Health Plan Savings in FY 11/12
  - No layoffs between July 1, 2010 and December 31, 2010.
  - An extension of the term of the CBA as amended to June 30, 2012.
- The membership of MEA ratified the CBA on June 14, 2010.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Labor Cost Analysis

**APPROVALS:**

**DATE**

DEPUTY OF DIVISION  
PREPARING ITEM

FINANCE

DIRECTOR

SECRETARY

ADOPTED RESOLUTION  
TO BE RETURNED TO

**ASSIGNED MTAB**

**CALENDAR DATE:**

Rumi Ueno

## **PAGE 2**

### **PURPOSE**

To approve the negotiated Collective Bargaining Agreement (CBA) between SFMTA and MEA from June 30 2011 to June 30, 2012 and implement the negotiated concessions.

### **GOAL**

The proposed agreement meets the following strategic goals:

Goal 4 – Financial Capacity: To ensure financial stability and effective resource utilization.

Goal 5 – SFMTA Workforce: To provide a flexible supportive work environment and develop a workforce that takes pride and ownership of the agency's mission and vision and leads the agency into an evolving, technology-driven future.

### **DESCRIPTION**

Charter Sections 8A.104 gives the SFMTA the authority to negotiate labor agreements covering wages, hours, working conditions, and benefits with labor organizations representing employees at SFMTA in service critical classifications.

The SFMTA and MEA were successful in teaching a tentative agreement, and that agreement was ratified by a vote of the Union membership on June 14, 2010.

The negotiated agreement amends the existing CBA as follows: the term of the CBA will be two years with an expiration date of June 30, 2012. Additionally, the following concessions were agreed to: covered employees will take a salary reduction (smoothing), equivalent to 12 unpaid furlough days in Fiscal Years 2010-2011 and 2011-2012; 12 additional floating holidays in Fiscal Years 2010-2011 and 2011-2012; C and Pay for Performance in Fiscal Years 2010-2011 and 2011-2012; layoff protections through June 30, 2010; and retiree protection against reduction in salary for retirement calculations. There are no other substantive changes to the CBA with the exception of updating dates and language where appropriate. The CBA as negotiated will be in effect through June 30, 2012.

The CBA for MEA was provided to the SFMTA Board on June 15, 2010 when the agreement was formally sunshined.

### **ALTERNATIVES CONSIDERED**

If the CBA is not approved, the cost savings that his agreement provides will not be realized and the SFMTA would not have a labor contract for employees represented by MEA.

The City Attorney has reviewed this calendar item.

**PAGE 3**

**FUNDING IMPACT**

The Labor Cost Analysis is attached.

The cost saving for MEA for FY 2011 is \$577,163; for FY 2012 is \$549,149.

**RECOMMENDATION**

Staff recommends that the SFMTA Board to adopt the Resolution approving the CBA between SFMTA and MEA.

**SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS**

**RESOLUTION No.**\_\_\_\_\_

WHEREAS, Under Section 8A.104 of the Charter, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors succeeded to the powers of the Board of Supervisors with respect to collective bargaining for employees in service critical classifications including those whose wages, hours and terms and conditions of employment are set pursuant to charter Section Ai.104 and,

WHEREAS, The current Collective Bargaining Agreement (CBA) between SFMTA and the Municipal Executive Association (MEA), expires on June 30, 2011; and,

WHEREAS, The SFMTA and the MEA negotiated an amendment to the CBA that was ratified by the membership of MEA on June 14, 2010, and,

WHEREAS, The proposed amendment of the CBA, which shall be effective July 1, 2010 through June 30, 2012, and all other required information were publicly disclosed in accordance with Charter Section A8.104(p) on June 15, 2010 and are on file with the Secretary of the SFMTA Board of Directors; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors hereby approves the amendment of the Collective Bargaining Agreement between the SFMTA and MEA, to extend its term to June 30, 2012 and implement the negotiated concessions

I hereby certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board at its meeting of\_\_\_\_\_.

\_\_\_\_\_  
Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

## Estimated Cost Savings from Proposals & Ratified Agreements

Date: May 27, 2010

Emp Org Title	Agreement	FY 2011 Count	FY 2011 Salary Costs	Ratification Savings Amount - FY 2011	FY 2012 Count	FY 2012 Salary Costs	Ratification Savings Amount - FY 2012
MEA, MUNICIPAL EXECUTIVES ASSOCIATION Total	Ratified	93.00	12,492,712	577,163	93.00	12,860,362	594,149

*Based on Active employees provided on HR Report Dated April 26, 2010*

*\* Represents Craft Classification*

*Revised May 27, 2010*

**THIS PRINT COVERS CALENDAR ITEM NO. : 10.6**

**SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY  
City and County of San Francisco**

**DIVISION:** Administration - Employee & Labor Relations

**BRIEF DESCRIPTION:**

Approving amendments to the agreement between the San Francisco Municipal Transportation Agency (SFMTA) and the International Association of Machinists & Aerospace Workers (IAM) – Local 1414 (IAM Local 1414), to reduce SFMTA obligations and to extend the expiration date to June 30, 2012.

**SUMMARY:**

- Charter Section 8A.104 provides that the SFMTA shall bargain labor agreements with employee organizations representing employees in service critical classifications.
- The Collective Bargaining Agreement (CBA) between SFMTA and IAM Local 1414 expires on June 30, 2011.
- The SFMTA negotiated an amendment that includes concessions by IAM Local 1414 to save the agency approximately \$1,634,017. The terms of the amended CBA include:
  - 12 unpaid furlough days in FY 10/11
  - 12 unpaid furlough days in FY 11/12
  - Health Plan Savings in FY 11/12
- The amendment extends the CBA with IAM Local 1414 as amended to June 30, 2012.
- The membership of IAM, Local 1414 ratified the CBA on June 3, 2010.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Labor Cost Analysis

**APPROVALS:**

**DATE**

DEPUTY OF DIVISION

PREPARING ITEM

FINANCE

DIRECTOR

SECRETARY

ADOPTED RESOLUTION

TO BE RETURNED TO

ASSIGNED MTAB

CALENDAR DATE:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Rumi Ueno	_____
_____	_____

## **PAGE 2**

### **PURPOSE**

To extend the expiration date of the CBA between SFMTA and IAM, Local 1414 from June 30, 2011 to June 30, 2012 and implement the negotiated concessions.

### **GOAL**

The proposed agreement meets the following strategic goals:

Goal 4 – Financial Capacity: To ensure financial stability and effective resource utilization.

Goal 5 – SFMTA Workforce: To provide a flexible, supportive work environment and develop a workforce that takes pride and ownership of the agency's mission and vision and leads the agency into an evolving, technology-driven future.

### **DESCRIPTION**

The approval of Proposition E by the voters in November 1999 (enacting Charter Sections 8A.104)) gave the SFMTA the authority to negotiate labor agreements covering wages, hours, working conditions, and benefits with labor organizations representing employees at SFMTA in service critical classifications.

The SFMTA negotiated a Collective Bargaining Agreement (CBA) with the IAM Local 1414 in May 2009 which expires on June 30, 2011.

SFMTA representatives and representatives of IAM Local 1414 negotiated an amendment to the existing CBA. The SFMTA and IAM Local 1414 were successful in reaching a tentative agreement, and that agreement was ratified by a vote of the Union membership on June 3, 2010

The agreement would amend the existing CBA as follows: The term of the CBA would be extended two years with an expiration date of June 30, 2012. Additionally, the following concessions were agreed to: covered employees will take twelve unpaid furlough days in Fiscal Year 2010-11 and twelve unpaid furlough days in Fiscal Year 2011-12 and in Fiscal year 2011-12 the Agency's health care contribution will be capped. In return, covered employees have layoff protection through December 31, 2010 and an increase in the annual tool allowance. There are no other substantial changes to the CBA with the exception of updating dates and language where appropriate.

The amended CBA will be in effect through June 30, 2012. If the amendment is not approved, the cost savings that this agreement provides will not be realized.

The CBA for IAM Local 1414 was provided to the SFMTA Board on June 15, 2010 when the agreement was formally sunshined.



**PAGE 3**

The City Attorney has reviewed this calendar item.

**FUNDING IMPACT**

The Labor Cost Analysis is attached.

The approximate cost savings to the agency is \$1,634,017.

**RECOMMENDATION**

Staff recommends that the SFMTA Board adopt the Resolution approving the amendment of the CBA between SFMTA and IAM Local 1414. If the amendment is not approved the cost savings this agreement provide will not be realized and SFMTA representatives will need to return to the bargaining table in 2011 to resume labor contract negotiations with representatives from IAM Local 1414.

**SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS**

**RESOLUTION No. \_\_\_\_\_**

WHEREAS, Under Section 8A.104 of the Charter, the San Francisco Municipal Transportation Agency (SFMTA) Board of Directors succeeded to the powers of the Board of Supervisors with respect to collective bargaining for employees in service critical classifications; and,

WHEREAS, The current Collective Bargaining Agreement (CBA) between SFMTA and the International Association of Machinists & Aerospace Workers (IAM) – Local 1414, expires on June 30, 2011; and,

WHEREAS, The SFMTA and the IAM Local 1414 negotiated an amendment to the CBA to reduce SFMTA obligations and to extend the expiration date to June 30, 2012; and

WHEREAS, the amendment to the CBA was ratified by the membership of IAM Local 1414 on June 3, 2010, and,

WHEREAS, The proposed amendment of the CBA, which shall be effective July 1, 2010 through June 30, 2012, and all other required information were publicly disclosed in accordance with Charter Section 8A.104(p) on June 1, 2010 and are on file with the Secretary of the MTA Board of Directors; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors hereby approves the amendment of the Collective Bargaining Agreement between the SFMTA and IAM Local 1414, to implement negotiated concessions and extend its term to June 30, 2012.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of \_\_\_\_\_.

\_\_\_\_\_  
Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

**Estimated Cost Savings from Proposals & Ratified Agreements**  
**Date: May 27, 2010**

Emp Org Title	Agreement	FY 2011Count	FY 2011 Salary Costs	Ratification Savings Amount - FY 2011	FY 2012 Count	FY 2012 Salary Costs	Ratification Savings Amount - FY 2012
IAM MACHINISTS LOCAL 1414, Total	Ratified	221.00	17,583,057	812,337	221.00	17,785,284	821,680

*Based on Active employees provided on HR Report Dated April 26, 2010*  
*\* Represents Craft Classification*

*Revised May 27, 2010*

**SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY  
City and County of San Francisco**

**DIVISION:** Administration - Employee & Labor Relations

**BRIEF DESCRIPTION:**

Approving amendments to the agreement between the San Francisco Municipal Transportation Agency (SFMTA) and employees in Service Critical Classifications represented by Service Employees International Union (SEIU) Local 1021, to reduce SFMTA obligations and to extend the term of the MOU to June 30, 2012.

**SUMMARY:**

- Charter Section 8A.104 authorizes the SFMTA to bargain labor agreements with employee organizations representing employees in service critical classifications.
- The Collective Bargaining Agreement (CBA) between SFMTA and SEIU Local 1021 expires on June 30, 2011.
- The SFMTA negotiated an amendment to the existing CBA with SEIU Local 1021 to extend the expiration date to June 30, 2012 and to obtain concessions to help SFMTA balance its budget.
- The amendment includes the following terms:
  - 12 unpaid furlough days in FY 10/11; 12 unpaid furlough days in FY 11/12 for classifications other than 8214 and 8216;
  - 6 unpaid furlough days in FY 10/12 for classifications 8214 & 8216;
  - 6 unpaid furlough days in FY 11/12 for classifications 8214 & 8216;
  - Health Plan Savings in FY 11-12;
  - No layoffs between July 1, 2010 to December 31, 2010.
- Cost savings for service critical classifications for FY 2011 are \$990,697; for FY 2012 cost savings for service critical classifications are \$998,326.
- The amendment to the existing CBA was ratified by the membership of SEIU Local 1021 on June 10, 2010.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Labor Cost Analysis

**APPROVALS:**

**DATE**

DIRECTOR OF DIVISION  
PREPARING ITEM

\_\_\_\_\_

\_\_\_\_\_

FINANCE  
EXECUTIVE  
DIRECTOR/CEO

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

SECRETARY  
ADOPTED RESOLUTION  
TO BE RETURNED TO

\_\_\_\_\_

\_\_\_\_\_

**ASSIGNED SFMTAB  
CALENDAR DATE:**

Rumi Ueno  
\_\_\_\_\_

\_\_\_\_\_

## **PAGE 2**

### **PURPOSE**

To extend the expiration of the CBA between SFMTA and the SEIU Local 1021 from June 30, 2011 to June 30, 2012.

### **GOAL**

The proposed agreement meets the following strategic goals:

Goal 4 – Financial Capacity – To ensure financial stability and effective resource utilization.

Goal 5 – SFMTA Workforce – To provide a flexible , supportive work environment and develop a workforce that takes pride and ownership of the agency’s mission and vision and leads the agency with an evolving technology-driven future.

### **DESCRIPTION**

The approval of Proposition E by the voters in November 1999 (enacting Charter Section 8A.104 (K) gave the SFMTA the authority to negotiate labor agreements covering wages, hours, working conditions, and benefits with labor organizations representing employees at SFMTA in service critical classifications.

The SFMTA negotiated a collective bargaining agreement (CBA) with SEIU Local 1021 in July 2009, which expires on June 30, 2011.

SFMTA representatives and representatives of SEIU Local 1021 negotiated an amendment to the existing CBA. The agreement was ratified by the membership of SEIU Local 1021 on June 10, 2010.

The agreement amended the existing CBA as follows: The term of the agreement is extended by one year to June 30, 2012. Additionally, the following concessions were agreed to: 12 unpaid furlough days in each fiscal year FY 10/11 & FY 11/12; 6 unpaid furlough days for each fiscal year FY 10/11 & FY 11/12 for fixed post classifications; Health Plan Savings in FY 11/12; No layoff between July 1, 2010 to December 31, 2010. There are no other changes with the exception of updating dates and language where appropriate.

The amended CBA will be in effect through June 30, 2012. If the amendment is not approved, the cost savings that this agreement provides will not be realized.

The CBA for SIEU Local 1021 was provided to the SFMTA Board on June 15, 2010 when the agreement was formally sunshined.

The City Attorney has reviewed this calendar item.

**PAGE 3**

**FUNDING IMPACT**

The Labor Cost Analysis is attached.

The cost savings for SEIU Service Critical classifications Local 1021 for FY 2011 is \$990,697; for FY 2012 is \$998,326.

**RECOMMENDATION**

Staff's recommendation is for the SFMTA Board to adopt the Resolution approving the amendment of the CBA between SFMTA and SEIU Local 1021. If the amendment is not approved the cost savings will not be realized and SFMTA representatives will need to resume labor negotiations with representatives from SEIU Local 1021 in 2011.

**SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS**

**RESOLUTION No. \_\_\_\_\_**

WHEREAS, Under Section 8A.104 of the Charter, the Municipal Transportation Agency Board of Directors succeeded to the powers of the Board of Supervisors with respect to collective bargaining for employees in service critical classifications; and

WHEREAS, The current Collective Bargaining Agreement (CBA) between the San Francisco Municipal Transportation Agency (SFMTA) and Service Employees International Union (SEIU) Local 1021 expires on June 30, 2011; and

WHEREAS, This amendment was ratified by the members of SEIU, Local 1021; and

WHEREAS, In May 2010, the members of SEIU, Local 1021 approved an additional amendment to provide cost savings to the SFMTA and further extend the MOU to June 30, 2012; and

WHEREAS, The proposed amendments of the CBA, which shall be effective July 1, 2010 through June 30, 2012, and all other required information were publicly disclosed in accordance with Charter Section 8A.104(p) on June 15, 2010 and are on file with the Secretary of the SFMTA Board of Directors; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors hereby approves the amendment of the Collective Bargaining Agreement between the SFMTA and SEIU, Local 1021 to extend its term to June 30, 2012 and implement the negotiated concessions.

I hereby certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board at its meeting of \_\_\_\_\_.

\_\_\_\_\_  
Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

# **Estimated Cost Savings from Proposals & Ratified Agreements** **Date: May 27, 2010**

Emp Org Title	Agreement	FY 2011 Count	FY 2011 Salary Costs	Ratification Savings Amount - FY 2011	FY 2012 Count	FY 2012 Salary Costs	Ratification Savings Amount - FY 2012
<b>SEIU LOCAL 1021, SEIU Total</b>	<b>Ratified</b>	221.00	13,444,678	621,144	221.00	13,548,200	625,927
<b>SEIU LOCAL 1021, SEIU Total - Fixed Posts 8214 &amp; 8216</b>	<b>Ratified - 6 Furlough days - 2.31%</b>	299.00	15,997,981	369,553	299.00	16,121,182	372,399

*Based on Active employees provided on HR Report Dated April 26, 2010*

*\* Represents Craft Classification*

*Revised May 27, 2010*