

**TRANSIT SERVICE OPERATION AGREEMENT
BETWEEN THE CITY OF REDONDO BEACH AND
THE CITY OF MANHATTAN BEACH**

THIS TRANSIT SERVICE OPERATION AGREEMENT (this “Agreement”) is entered into by and between the City of Redondo Beach (“Redondo Beach”), on behalf of Beach Cities Transit (“BCT”), which is a division of Redondo Beach, and the City of Manhattan Beach (“Manhattan Beach”). Redondo Beach and Manhattan Beach are sometimes referred to herein as the “Parties”, and individually as a “Party”.

RECITALS

- A. WHEREAS, on July 1, 2006, Redondo Beach and Manhattan Beach entered into that certain Transit Service Operation Agreement (“First Agreement”) to enable BCT Line 109 as described in Attachment A to take over public transportation services for the discontinued Los Angeles County Metropolitan Transportation Authority Line 439 for a two (2) year term.
- B. WHEREAS, Redondo Beach and Manhattan Beach subsequently entered into new agreements relating to Line 109 in 2008, 2010, 2011, 2012, 2013, 2015, 2016, and 2017 (the “2017 Agreement”).
- C. WHEREAS, the 2017 Agreement expired on June 30, 2018, and the Parties desire to enter into a new agreement on the terms and conditions set forth below.

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. TERM

This Agreement shall be effective as of July 1, 2018, and shall have a one (1) year term expiring on June 30, 2019.

2. SERVICE DESCRIPTION

- A. Redondo Beach shall engage a qualified transportation contractor to provide bus services to Line 109 consistent with the maps shown in Attachment A, which is attached hereto and by this reference incorporated herein (“Line 109” or the “Service”).
- B. Redondo Beach shall engage a qualified transportation contractor to provide bus services to Line 109 on the days of the week and service times, and at frequencies of service equal to or better than that which was operated by Redondo Beach immediately prior to the effective date of this Agreement. The service schedules for Line 109, as illustrated in Attachment B, are attached hereto and by this reference incorporated herein.

- C. Redondo Beach may adjust the route and schedule of Line 109; however, any changes or reductions to the Service in excess of 10% shall be brought to Manhattan Beach in writing for review and comment prior to implementation.
- D. Redondo Beach reserves its rights, at its sole discretion, to enter into contracts for Line 109 service with any other provider of its choice at any time without the approval of Manhattan Beach. Redondo Beach shall be responsible for any and all aspects of administration of the service contract, and shall assure that the contract includes provisions pertaining to insurance, age, maintenance and operation of vehicles, driver qualifications and other similar provisions typical of an agreement of that kind.

3. PASSENGER FARES

Redondo Beach may charge fares for the Service consistent with their existing fixed-route service. Redondo Beach will accept interagency transfers with adjacent transit operators and participate in the EZ Pass Program. Redondo Beach shall retain all farebox revenues. BCT Line 109 passenger fare revenues shall be used to offset operation expenses.

4. FUNDING

- A. For costs associated with the operation of Line 109, Manhattan Beach shall pay Redondo Beach in accordance with this Section. Manhattan Beach shall not pay Redondo Beach for capital costs related to Service Operating Expenses, as described more fully in subsection 4.B, nor shall Manhattan Beach provide equipment to operate the Service.
- B. FY 2018-19: Operations Funding from Manhattan Beach shall be \$9,251 for fiscal year 2018-19. This number is derived from the percentage of cost for Line 109, which is based on the route service mile calculations illustrated in Attachment C, attached hereto. The Real Time Information (“RTI”) Systems funding may be up to \$9,630. Therefore, the total contribution from Manhattan Beach may be up to \$18,881.

In no event shall Manhattan Beach’s funding obligation under this subsection 4.B exceed the foregoing amount. In the event actual fiscal year 2018-19 Line 109 net operating costs are less than (1) the estimated costs and/or (2) actual net operating revenues are greater than the estimated revenues for the respective fiscal year, all excess funds resulting from such decreased costs or increased revenues shall be reconciled and used to reduce the final fourth quarter invoice amount for the applicable fiscal year.

Service Operating Expenses are incorporated in the service hour rates and include without limitation, driver wages, general administration and overhead, and maintenance costs. RTI Systems Capital and Operating Expenses include without limitation, capital equipment related to the RTI Systems, passenger/administration interface programs, cellular and internet hosting of RTI services and report management programs.

- C. Redondo Beach is responsible for all marketing and promotion of the service. Notwithstanding the foregoing, Manhattan Beach may advertise at its sole expense, but any reference to BCT must be approved in writing by Redondo Beach prior to such reference. Only the BCT logo may be used to advertise or market the service.
- D. On a quarterly basis, BCT will meet with Manhattan Beach to develop additional marketing strategies directed towards increasing BCT Line 109 ridership. Manhattan Beach shall provide assistance for public outreach and information to target Manhattan Beach residents and non-resident community members.

5. **REPORTING/INVOICING**

- A. Redondo Beach shall report to Manhattan Beach on a quarterly basis, all of the following data for the Line 109 Service:
 - (1) Passengers carried
 - (2) Revenue hours operated
 - (3) Revenue miles operated
 - (4) Total operating costs, which includes Service Operating Expenses and RTI Systems Capital and Operating Expenses.
- B. Redondo Beach shall submit said report to the Manhattan Beach City Manager in writing within 45 days after the end of each reporting quarter.
- C. Redondo Beach shall submit quarterly invoices and required reports to the Manhattan Beach City Manager, and Manhattan Beach shall pay Redondo Beach on a quarterly basis one-fourth of the annual funds to be provided. Manhattan Beach shall pay Redondo Beach within thirty (30) days of receipt of each quarterly invoice from Redondo Beach. First payment shall be due on November 30, 2018, representing payment for July 1, 2018, through September 30, 2018.
- D. Redondo Beach shall incorporate Line 109 data into its Federal Transit Administration's National Transit Data (NTD) annual report for the entire BCT fixed route transportation system. Redondo Beach shall provide to Manhattan Beach annual NTD random sampling data which provides the statistics to estimate the number of passengers boarding and alighting by stop in Manhattan Beach and the total estimated Manhattan Beach passengers. Redondo Beach shall be responsible for any and all aspects of administration of the service contract and shall include provisions pertaining to insurance.
- E. Manhattan Beach retains the right to audit the BCT's records of Line 109 Service and to periodically monitor the Service.
- F. Redondo Beach shall schedule quarterly joint meetings with the partnering cities of El Segundo, Hermosa Beach, and Manhattan Beach. Redondo Beach will provide

a quarterly update of Line 109 services and discuss coordinated marketing and public outreach efforts and operating and financing issues that affect BCT services.

6. INSPECTION OF RECORDS

BCT records relevant to this Agreement shall be available for inspection by Manhattan Beach at all reasonable times for a period of at least three (3) years for each year or after the termination date, whichever comes first.

7. NON-DISCRIMINATION

No person shall on the grounds of race, color, religion, national origin, ancestry, age, sex, physical or mental disability, be excluded from participation in, or be subject to discrimination in the operation of the Line 109 Service.

8. COORDINATION

- A. Redondo Beach shall coordinate its BCT services, to the extent practical, so that passengers transferring between transit operators will have minimal waiting times. This coordination will require transit agencies to communicate with each other as many weeks as possible in advance of any planned schedule change to the services that may affect passenger transfers.
- B. The Manhattan Beach Project Manager for this project shall be the City Manager or designee. The BCT coordinator for this project shall be the Community Services Director or designee.

9. WAIVER OF BREACH

The waiver of each Party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that same or any other provision.

10. NOTICES

- A. All notices, requests, demands, or other communications under this Agreement shall be in writing. Notice shall be given as follows:
 - (1) Personal Delivery. When personally delivered to the recipient, notice is effective on delivery.
 - (2) First Class Mail. When mailed first class to the last address of the recipient known to the Party giving notice, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
 - (3) Certified Mail. When mailed via certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.

- (4) Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.
- (5) Facsimile Transmission. When sent by fax to the last fax number of the recipient known to the Party giving notice, notice is effective upon receipt. Any notice given by fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice shall be as follows:

Beach Cities Transit: City of Redondo Beach
Community Services Director
Attention: Line 109
1922 Artesia Blvd
Redondo Beach, CA 90278
Fax Number: (310) 798-8273

With a copy to: City of Redondo Beach
The City Clerk's Office
415 Diamond Street
Redondo Beach, CA 90277-2836
Fax Number: (310) 374-0220

City of Manhattan Beach: City of Manhattan Beach
City Manager
Attention: Line 109
1400 Highland Avenue
Manhattan Beach, CA 90266-4795
Fax Number: (310) 802-5051

With a copy to: City Clerk
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266-4795
Fax Number: (310) 802-5051

- B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the Party to be notified, shall be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- C. Either Party may change its address or fax number by giving the other Party written notice of the change.

11. SEVERABILITY

Should any part, term or provision of this Agreement or any document required herein to be executed be declared invalid, void or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby.

12. INTEGRATION; AMENDMENT

This Agreement represents the entire understanding of Manhattan Beach and Redondo Beach as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to the subject matter hereof. This Agreement may not be modified or altered except by written amendment executed by both Parties.

13. INTERPRETATION

The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

14. GOVERNING LAW; JURISDICTION

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from this Agreement will be in Los Angeles County, California.

15. COMPLIANCE WITH STATUTES AND REGULATIONS

BCT will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

16. NON-LIABILITY OF CITIES

No officer or employee of either city shall be personally liable to the other, in the event of any default or breach thereunder.

17. INDEMNIFICATION, HOLD HARMLESS AND DUTY TO DEFEND

- A. Redondo Beach shall defend, indemnify, and hold Manhattan Beach, its officials, officers and employees (collectively "Indemnitees") free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any acts or omissions of Redondo Beach, its employees, or its agents in connection with the performance of the services described in Section 2 of this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. With respect to any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against Indemnitees,

Redondo Beach shall defend Indemnitees, at Redondo Beach's own cost, expense, and risk, and shall pay and satisfy any judgment, award, or decree that may be rendered against Indemnitees. Redondo Beach shall reimburse Indemnitees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided, except for:

- (1) Liabilities assumed by any transportation contractor engaged by Redondo Beach to perform the services described in Section 2 of this Agreement; and
- (2) Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

B. Redondo Beach shall obtain executed indemnity agreements with provisions substantially the same as those in Section 17(A) from each and every transportation contractor providing the services described in Section 2 of this Agreement. If Redondo Beach fails to obtain such indemnity obligations, Redondo Beach shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of any of Redondo Beach's transportation contractors providing the services described in Section 2 of this Agreement.

C. Survival of Terms. Redondo Beach's indemnifications and obligations under this Section 17 shall survive the expiration or termination of this Agreement.

18. AUTHORITY

Redondo Beach warrants and represents that upon City Council approval, the Mayor of Redondo Beach is duly authorized to enter into and execute this Agreement on behalf of Redondo Beach. Manhattan Beach warrants and represents that the undersigned City official is duly authorized to execute this Agreement.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the Parties have executed this Agreement in Redondo Beach, California, as of this ____ day of _____, 2018.

CITY OF REDONDO BEACH

CITY OF MANHATTAN BEACH

By: _____
William C. Brand, Mayor

By: _____
Bruce Moe, City Manager

ATTEST:

ATTEST:

Eleanor Manzano, City Clerk

Liza Tamura, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

Quinn M. Barrow, City Attorney

Attachment A: Line 109 Map



Attachment B: BCT Line 109 Time Schedule

EFFECTIVE SEPTEMBER 2014

109

NORTHBOUND
Redondo Beach to
LAX City Bus Center

MONDAY THROUGH FRIDAY

Palos Verdes Bl & Via Valencia	Hermosa Ave & 10th St	Highland Ave & 14th St	Douglas Sta. Park Place	Main St & Holly Ave	Aviation Station	LAX City Bus Center
7	8	9	10	11	12	13
6:00	6:17	6:28	6:42	6:53	7:03	7:13
6:30	6:47	6:58	7:12	7:23	7:33	7:43
7:25	7:42	7:53	8:07	8:18	8:28	8:38
8:10	8:27	8:38	8:52	9:07	9:17	9:27
8:50	9:07	9:18	9:32	9:47	9:57	10:07
9:35	9:52	10:03	10:17	10:32	10:42	10:52
10:25	10:42	10:53	11:07	11:22	11:32	11:42
11:10	11:27	11:38	11:52	12:07	12:17	12:27
11:50	12:07	12:18	12:32	12:47	12:57	1:07
12:35	12:52	1:03	1:17	1:32	1:42	1:52
1:45	2:02	2:13	2:27	2:42	2:52	3:02
2:30	2:47	2:58	3:12	3:27	3:37	3:47
3:10	3:27	3:38	3:52	4:07	4:17	4:27
3:55	4:12	4:23	4:37	4:52	5:02	5:12
4:45	5:02	5:13	5:27	5:42	5:52	6:02
5:30	5:47	5:58	6:12	6:27	6:37	6:47
6:10	6:27	6:38	6:52	7:07	7:17	7:27
6:55	7:12	7:23	7:37	7:52	8:02	8:12
7:45	8:02	8:13	8:27	8:42	8:52	9:02
8:30	8:47	8:58	9:12	9:27	9:37	9:47
AM	PM					

SATURDAY & SUNDAY

Palos Verdes Bl & Via Valencia	Hermosa Ave & 10th St	Highland Ave & 14th St	Douglas Sta. Park Place	Main St & Holly Ave	Aviation Station	LAX City Bus Center
7	8	9	10	11	12	13
6:05	6:22	6:33	6:47	7:02	7:12	7:22
7:05	7:22	7:33	7:47	8:02	8:12	8:22
8:15	8:32	8:43	8:57	9:12	9:22	9:32
9:10	9:27	9:38	9:52	10:07	10:17	10:27
10:10	10:27	10:38	10:52	11:07	11:17	11:27
11:15	11:32	11:43	11:57	12:12	12:22	12:32
12:10	12:27	12:38	12:52	1:07	1:17	1:27
1:10	1:27	1:38	1:52	2:07	2:17	2:27
2:35	2:52	3:03	3:17	3:32	3:42	3:52
3:30	3:47	3:58	4:12	4:27	4:37	4:47
4:30	4:47	4:58	5:12	5:27	5:37	5:47
5:35	5:52	6:03	6:17	6:32	6:42	6:52
6:30	6:47	6:58	7:12	7:27	7:37	7:47
7:30	7:47	7:58	8:12	8:27	8:37	8:47
8:30	8:47	8:58	9:12	9:27	9:37	9:47
AM	PM					

109

SOUTHBOUND
LAX City Bus Center
to Redondo Beach

MONDAY THROUGH FRIDAY

LAX City Bus Center	Aviation Station	Main St & Holly Ave	Douglas Sta. Park Place	Highland Ave & 14th St	Hermosa Ave & 11th St	Palos Verdes Bl & Via Valencia
13	12	11	10	9	8	7
5:55	6:07	6:21	6:39	6:51	7:00	7:15
6:40	6:52	7:06	7:24	7:36	7:45	8:00
7:20	7:32	7:46	8:04	8:16	8:25	8:40
8:05	8:17	8:31	8:49	9:01	9:10	9:25
8:55	9:07	9:21	9:39	9:51	10:00	10:15
9:40	9:52	10:06	10:24	10:36	10:45	11:00
10:20	10:32	10:46	11:04	11:16	11:25	11:40
11:05	11:17	11:31	11:49	12:01	12:10	12:25
12:15	12:27	12:41	12:59	1:11	1:20	1:35
1:00	1:12	1:26	1:44	1:56	2:05	2:20
1:40	1:52	2:06	2:24	2:36	2:45	3:00
2:25	2:37	2:51	3:09	3:21	3:30	3:45
3:15	3:27	3:41	3:59	4:11	4:20	4:35
4:00	4:12	4:26	4:44	4:56	5:05	5:20
4:40	4:52	5:06	5:24	5:36	5:45	6:00
5:25	5:37	5:51	6:09	6:21	6:30	6:45
6:15	6:27	6:41	6:59	7:11	7:20	7:35
7:00	7:12	7:26	7:44	7:56	8:05	8:20
7:40	7:52	8:06	8:24	8:36	8:45	9:00
8:25	8:37	8:51	9:09	9:21	9:30	9:45
AM	PM					

SATURDAY & SUNDAY

LAX City Bus Center	Aviation Station	Main St & Holly Ave	Douglas Sta. Park Place	Highland Ave & 14th St	Hermosa Ave & 11th St	Palos Verdes Bl & Via Valencia
13	12	11	10	9	8	7
6:45	6:57	7:11	7:29	7:41	7:50	8:05
7:40	7:52	8:06	8:24	8:36	8:45	9:00
8:40	8:52	9:06	9:24	9:36	9:45	10:00
9:45	9:57	10:11	10:29	10:41	10:50	11:05
10:40	10:52	11:06	11:24	11:36	11:45	12:00
11:40	11:52	12:06	12:24	12:36	12:45	1:00
1:05	1:17	1:31	1:49	2:01	2:10	2:25
2:00	2:12	2:26	2:44	2:56	3:05	3:20
3:00	3:12	3:26	3:44	3:56	4:05	4:20
4:05	4:17	4:31	4:49	5:01	5:10	5:25
5:00	5:12	5:26	5:44	5:56	6:05	6:20
6:00	6:12	6:26	6:44	6:56	7:05	7:20
7:05	7:17	7:31	7:49	8:01	8:10	8:25
8:00	8:12	8:26	8:44	8:56	9:05	9:20
8:55	9:07	9:21	9:39	9:51	10:00	10:15
AM	PM					

Attachment C: BCT Line 109 Route Service Mile Calculations by City

**Beach Cities Transit Line 109
Route Service Mile Calculations by City**

Revised Route Miles	NB Miles	%	SB Miles	%
Redondo Beach	2.4	12.90%	3.1	19.02%
Los Angeles	2.9	15.59%	2.8	17.18%
Hermosa Beach	2.2	11.83%	1.6	9.82%
Manhattan Beach	3.4	18.28%	3.2	19.63%
El Segundo	7.7	41.40%	5.6	34.36%
Total Miles	18.6	100.00%	16.3	100.00%

Revised Route Miles	NB Miles	%	SB Miles	%
Redondo Beach & Los Angeles	5.3	28.49%	6.9	42.33%
Hermosa Beach	2.2	11.83%	1.6	9.82%
Manhattan Beach	3.4	18.28%	2.2	13.49%
El Segundo	7.7	41.40%	5.6	34.36%
Total Miles	18.6	100.00%	16.3	100.00%

Revised Revenue Service Miles effective July 2010 (based on service changes effective June 28, 2009)

	<i>Average Miles Per City</i>	<i>%</i>
Redondo Beach & Los Angeles	6.1	34.95%
Hermosa Beach	1.90	10.89%
Manhattan Beach	2.8	16.05%
El Segundo	6.65	38.11%
Total Miles	17.45	100.00%