MAINTENANCE SERVICE AGREEMENT
REGARDING TRANSIT COACH ACCEPTANCE TESTING

This Agreement is dated March 31, 2015 and is between the CITY OF EVERETT, a municipal corporation (the "City") and the CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY, a regional transit authority organized under the laws of the State of Washington ("Sound Transit").

RECITALS

Sound Transit will take delivery of three 40-foot diesel-fueled transit coaches to be used in service by King County Metro;

King County Metro who would normally provide this type of maintenance service, does not have the capacity to perform acceptance testing on a timely basis; and

Everett Transit, a division of the City, has capacity to take delivery and perform acceptance testing on the Sound Transit coaches.

THEREFORE, the parties agree as follows:

1. SERVICES. The City, through its Motor Vehicle Division (Everett Transit) shall, on behalf of Sound Transit, receive and perform acceptance testing on up to three forty-foot Gillig transit coaches (the "Coaches") in accordance with Exhibit 1.

   The City shall coordinate warranty repairs directly with Gillig through their designated service representative.

2. CONSIDERATION. The City shall bill Sound Transit once upon completion of all work including transportation of the buses to King County Metro and City's receipt of Gillig reimbursement for all warranty claims submitted. Within 30 days receipt of properly documented invoices, Sound Transit shall pay the City for maintenance service related to this agreement.

   The City is entitled to recover all costs associated with providing the service from Sound Transit with the exception of warranty work. Warranty work shall be reimbursed to City by the bus manufacturer. These costs are understood to be priced as follows and must be documented as follows:

<table>
<thead>
<tr>
<th>Type of Expense</th>
<th>Cost Basis</th>
<th>Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance Labor</td>
<td>Hours @ Rate = $88.21</td>
<td>Work Order</td>
</tr>
<tr>
<td>Fuel/fluids</td>
<td>Actual costs</td>
<td>Show estimation</td>
</tr>
<tr>
<td>Parts</td>
<td>Actual costs</td>
<td>Work Order</td>
</tr>
<tr>
<td>Sublet Work</td>
<td>Actual costs</td>
<td>Invoices</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>Actual costs</td>
<td>Work Order/Invoices</td>
</tr>
<tr>
<td>Overhead/Administration</td>
<td>10.767% of total labor</td>
<td>Calculation</td>
</tr>
<tr>
<td>Exercise protocol</td>
<td>Hours @ Rate = $88.21</td>
<td>Work Order</td>
</tr>
<tr>
<td>Transportation of buses</td>
<td>Hours @ Rate = $88.21</td>
<td>Work Order/Time Card</td>
</tr>
<tr>
<td>Oversight of Tim/Dan</td>
<td>Hours @ Rate = $88.21</td>
<td>Work Order/Time Card</td>
</tr>
<tr>
<td>Fed Ex/Copying</td>
<td>Actual costs</td>
<td>Invoices</td>
</tr>
</tbody>
</table>
All invoices from the City must specify all work performed, including hours charged, parts installed and fluids dispensed on a per Coach basis. Sales tax may be documented within backup material but will not appear on the City's invoice. Documentation for invoices must include:

- Work Orders
- Invoices for Sublets/outside purchases
- Invoices showing cost of fuel
- Gillig warranty claims and reimbursements
- Summary by line item
  - Labor
  - Parts
  - Fuel/fluids
  - Sublets (outside work)
  - Credits
  - Miscellaneous
- City Invoice including Purchase Order
- Explanation of any credits

The preliminary cost estimate of this scope of work is $6,000.

3. TERM. The term of this agreement shall be for a period of 11 months, beginning March 1, 2015, and ending January 31, 2016 or when all ordered work on the Coaches has been completed and accepted by Sound Transit.

4. STORAGE. City will provide secured storage area for the Coaches while awaiting work to be performed by the City of Everett. Only authorized City of Everett employees and authorized personnel shall have access to this site. Subject to Section 6 below, City assumes all risk of loss to the Coaches while the Coaches are within the secure vehicle storage area.

5. HOLD HARMLESS CLAUSE. To the extent of its negligence, willful misconduct, violation of this agreement or violation of law, Sound Transit shall protect, hold harmless, indemnify, and defend, at its own expense, the City, its elected officials, its officers, employees, and agents, from any loss or claim for damages of any nature whatsoever, including claims by third parties or by Sound Transit's employees from which it would otherwise be immune under TITLE 51, RCW or other law, arising out of any act or omission relating to this agreement by Sound Transit, its appointed officials, officers, employees, or agents. If a loss or claim is caused by or results from the concurrent negligence of Sound Transit, its appointed officials, officers, employees, or agents or the City, or their respective officers, assignees, agents, employees, invitees, contractors or subcontractors, this clause shall be valid and enforceable only to the extent of the negligence of Sound Transit, its appointed officials, officers, employees, or agents.

To the extent of its negligence, willful misconduct, violation of this agreement or violation of law, the City shall protect, hold harmless, indemnify, and defend, at its own expense, Sound Transit, its appointed officials, officers, employees, and agents from any loss or claim for damages of any nature whatsoever, including claims by third parties or by City employees from which it would otherwise be immune under TITLE 51, RCW or other law, arising out of any act or omissions relating to this agreement by City, its elected officials, officers, officials, employees and agents. If a loss or claim is caused by or results from the concurrent negligence of the City, its elected officials, officers, assignees, agents, employees, invitees, contractors or subcontractors and Sound Transit, and its officials, officers, employees, or agents, this clause shall be valid and enforceable only to the extent of the negligence of the City, its elected officials, officers, assignees, agents, employees, invitees, contractors or subcontractors.
The parties represent that the foregoing indemnity provisions were mutually negotiated.

6. LIABILITY INSURANCE. The City agrees to maintain its membership in the Washington State Transit Insurance Pool ("WSTIP") for the duration of this Agreement. For risks other than those covered by WSTIP, the City is self-insured with a self-insured retention of $1,000,000, with excess insurance above that amount. The City agrees to give notice to Sound Transit of any change in the City's self-insurance program material to this agreement that occurs during the term of this agreement.

Sound Transit shall, at Sound Transit's expense, obtain and keep in force during the term of this agreement a policy of comprehensive public liability insurance in the amount of not less than $1,000,000 for bodily injury or property damage in any one accident or occurrence and in the amount of not less than $2,000,000 in the aggregate. The limit of such insurance shall not, however, limit the liability of Sound Transit hereunder. All Sound Transit's coverage shall be primary and noncontributory with any insurance carried by the City. Sound Transit shall be entitled to self-insure these risks by providing to the City a letter of self-insurance consistent with these requirements.

7. NO ASSIGNMENT. The rights under this agreement may not be assigned.

8. NOTICES. Notice as required by any term of this agreement, or by law, shall be given by registered or certified mail. Such communication or notice shall be deemed to have been given and received when deposited in the United States Mail, property addressed, with postage prepaid. Such notice or communication shall be given as follows:

If to Sound Transit: Dave Turissini  
Bus Operations Manager  
Operations Department  
Sound Transit  
401 S. Jackson St.  
Seattle, WA 98104-2886  
PH: 206.398-5035  
FAX: 206.398-5215

If to the City: Robert Carlson  
Everett Transit  
3225 Cedar Street  
Everett, WA 98201  
PH: 425.257.8920  
FAX: 425.257.8945

10. MODIFICATION. This agreement may only be modified in writing.

11. ENTIRE AGREEMENT / VENUE. This agreement constitutes the entire agreement of the parties relating to the subject matter of this agreement. This agreement supersedes and replaces all other written or oral agreements regarding that subject matter. The parties shall bring any litigation arising out of or relating to this agreement only before the Snohomish County Superior Court.
The parties are signing this agreement on the date noted in the introductory paragraph.

SOUND TRANSIT:

By: ___________________________
    David Turissini, Bus Operations Manager
    Sound Transit

CITY OF EVERETT:

By: ___________________________
    Ray Stephanson, Mayor
    City of Everett

ATTEST:

By: ___________________________
    Sharon Fuller, City Clerk
    City of Everett

APPROVED AS TO FORM:

By: ___________________________
    Sound Transit Legal Counsel

APPROVED AS TO FORM:

By: ___________________________
    James D. Iles, City Attorney
Post-Delivery Acceptance Work
For Sound Transit Buses
By Everett Transit
(KCM Buses)

1. Buses will be delivered to Everett Transit at 3200 Cedar St, Everett, WA 98201. Delivery hours of buses should be Monday through Friday, between 7:30 a.m. and 10 p.m. ET must have staff prepared and trained to accept delivery of each vehicle.

2. Everett Transit (ET) will notify Sound Transit (ST) of the estimated time of delivery when ET receives notice by the delivery company. Similarly, if Sound Transit is notified of the estimated time of arrival, Sound Transit will provide that information to ET.

3. Everett Transit will provide secured parking location at their bus yard, 3225 Cedar Street, 98201 or Everett Transit North Base, 2911 California Street, 98201.

4. Immediately upon delivery:
   a. Everett Transit shall complete a Sound Transit Vehicle Delivery Receipt form (Attachment A) following delivery of each vehicle. The form will be used to record vehicle condition, record items shipped loose inside each vehicle, provide a record of when and who from ET received the vehicle and the signature of the “drive away” driver who delivered the vehicle. Any changes to the form(s) must be approved by Sound Transit. A copy may be given to the drive-away operator if requested.
   b. A complete list of items shipped with the vehicles is contained in Shipped Loose (Attachment B). ET shall verify that all items on the list are present and notify Sound Transit if any items are missing.
   c. Everett Transit must document defects and damage found during the post-delivery visual inspection of the interior and exterior of the vehicle including a cursory examination of the engine compartment. All defects/damage observed immediately following delivery must be recorded on the Sound Transit Vehicle Delivery Receipt form.

5. Completed Sound Transit Vehicle Delivery Receipt forms along with the original Drive-away Packet must be completed and provided to Sound Transit within 72 hours of delivery (regardless of the day of delivery). A list of contents of the Drive-away Packet is in Attachment B. Direct staff delivery or use of an overnight delivery service is preferred. Use of standard United States Postal Service is not acceptable. Sound Transit will work with Everett Transit to arrange for a staff delivery, if desired. Everett Transit will make copies of the Drive-away Packet and store it in the driver’s area of the vehicle at all times.

6. Everett Transit will strive to inspect each vehicle for defects within seven (7) days and document. All defects must be described in detail. The work shall be documented on the Sound Transit Vehicle Inspection Fixed Route form (separate attachment) provided.

7. ET may communicate with the in-plant inspector or with Gillig as needed. Sound Transit desires to be informed of any such discussion by email no later than 24 hours following the communication.
8. Sound Transit will provide ET with complete vehicle technical specification information as well as any amendments that may have been made. These specifications and amendments are for use by ET to confirm that the vehicles were built consistent with the specifications/amendments. ET will also review the documentation on defects, repairs or tasks encountered by the in-plant bus inspector for further insight and for use as a reference when completing the work.

9. Gillig has the right to have a factory representative present at ET’s inspection site to help facilitate warranty and other repairs. At this time, the Gillig representative is expected to be Bob Birdwell.

10. Sound Transit wishes to emphasize that Gillig is responsible for all work needed to complete and/or repair the buses per the specifications. If Gillig chooses to use Everett Transit to perform the actual work and Everett Transit agrees, this is acceptable to Sound Transit; however, ultimately Gillig is responsible for costs associated with repairs to make the vehicle acceptable.

11. Everett Transit will ensure that all defects and repairs are completed by Gillig. Everett Transit will include Sound Transit in all communications with outside vendors. All work must be documented including appropriate labor hours, parts, materials, etc. by individual vehicle. Everett Transit will be responsible to ensure that work performed by a third party vendor is accurate, of good quality, timely and well documented. Sound Transit strongly recommends using before and after photographs to document work performed by third party vendors to document work performed. Sound Transit will provide Everett Transit with a list of mechanical problems encountered on the previous three vehicle orders as a guide to ensure that similar defects are quickly identified and corrected.

12. Everett Transit will contact the following original equipment manufacturers (OEM) to perform equipment inspections and necessary adjustments as needed:
   
   a. Cummins Engine (the Cummins representative will install the King County Metro ECM security password into vehicles that will be operated by KCM).
   
   b. Thermo King (HVAC)
   
   c. Allison Transmission
   
   d. Others OEM’s as required

13. In the event a repair or fleet change is required but will take significant time to complete, Everett Transit, Sound Transit and Gillig shall jointly review the situation to determine if conditional acceptance is warranted and whether the bus should be moved to King County Metro to await the repair/change. The final decision rests with Sound Transit.

14. Sound Transit will conduct routine inspections of work performed by Everett Transit and OEM’s as needed. Any defect or incomplete work not complete will be documented by ST communicated to ET for completion. Each vehicle will undergo a final inspection by Sound Transit during the final acceptance inspection phase and both Sound Transit and Everett Transit will be required to sign the Sound Transit Acceptance Form (Attachment C). Originals of the acceptance form shall be kept by Sound Transit and a copy placed in the packet of information which remains on the vehicle. Copies of Work Orders generated for each vehicle by Everett Transit shall also be put into the vehicle documentation packet.
15. Sound Transit will commit to completing individual vehicle ET work inspections and completing the appropriate acceptance documentation within 3 weekdays of notice by Everett Transit that the work has been completed. Copies of all inspection records, Work Orders and defect documentation work must be provided to the Sound Transit in order to complete the work. Copies of the signed acceptance forms (Sound Transit and Gillig’s) must be made and provided to all three parties (Sound Transit, Everett Transit and Gillig).

16. Sound Transit will provide a Purchase Order for this work. Invoicing should always reference this Purchase Order number.

17. Everett Transit will deliver vehicles to KCM. A Vehicle Delivery Receipt (Attachment A) will be used to document the transfer from Everett Transit to KCM at the address provide in item 19 below. The form shall record all unfinished work as well as any problems or issues noted by the driver during the delivery. The packet of vehicle and work documentation will remain on the vehicles when delivered and shown to the KCM receiving staff.

18. The lead person at King County Metro for this project will be:

    Jack Woodworth  
    (206) 684-2219  
    KCM Transit  
    Component Supply Center  
    Body Rebuild Section Chief  
    12200 E. Marginal Way So.  
    Tukwila, Washington 98168
Attachment A
Sound Transit Vehicle Delivery Receipt

This document describes damage that may have occurred during shipping. This receipt does not reflect any manufacturing defects that may be found at a later in-service inspection. Acceptance personnel must ensure that all defects found are documented on this receipt. An additional sheet of paper may be attached if extra space is required.

<table>
<thead>
<tr>
<th>Unit Number</th>
<th>Date Vehicle Arrived</th>
<th>Time Vehicle Arrived</th>
<th>Mileage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Exterior Damage

Windows Damage

Interior Damage

"Shipped Loose" articles (see list).  

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

Factory documentation packet

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

Comments

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
</table>

Signature of Person Signing for Delivery  

| ________________________ | (Date) |

I, (print name of delivery driver)________________________ have documented on this receipt issues or damage occurring during transit to above mentioned vehicle delivered to ____________________ facility.

Delivery Driver Signature

| ________________________ | Date |


ATTACHMENT B
Shipped Loose

The following items/information will be within the passenger compartment of each bus delivered:

**Gillig:**
Items:
- Keys for the radio box door are taped to the door
- T-Lock
- Fire Extinguisher (5 lbs)
- Triangles
- Drive Away Packet (See Below.)

Provide all originals to Sound Transit; a copy should be made and placed in the vehicle (see Scope above).

**Drive Away Packet (Gillig and In-plant Inspector):**
- Instructions to Driver
- Q/A List
- Work Off Sheets
- Component List
- Copy of VIN Plate
- Weigh Sheet
- Delivery Report
- Vehicle Release Certificate
- Release, Condition, Delivery Report signed by In-plant Inspector

**Between ST, KCM and Gillig:**
Delivery:
- Invoice
- ST Receipt of Bus

Acceptance Packet:
- Signature Page between Everett Transit and Sound Transit
- Signature Page between Gillig and Sound Transit
- System Inspection Form and Defect Sheets
ATTACHMENT C

Sound Transit Final Vehicle Acceptance Receipt

BUS # _________

This is to state that I ______________________________ of Everett Transit have and caused to
have repaired any defects found upon receipt of this vehicle (except as listed below) and am now
verifying that this vehicle is built as described in manufacturing plans and designs. This vehicle is road-
worthy and ready for preparation for service.

Signature of Person Signing for Verification

(Name) (Date)

(Title) ______________________________

This is to state that I ______________________________ of Sound Transit have documentation for this vehicle
and have done a survey of work completed on this vehicle and am now verifying that this vehicle is built
as described in manufacturing plans and designs. This vehicle is road-worthy and ready for
preparation for service.

Signature of Person Signing for Verification

(Name) (Date)

(Title) ______________________________
PROJECT TITLE:
Maintenance Service Agreement Regarding Transit Coach Acceptance Testing

 | Briefing | Proposed Action | Consent | Action | First Reading | Second Reading | Third Reading | Public Hearing | Budget Advisory |
|----------|-----------------|---------|--------|-----------|--------------|--------------|--------------|---------------|----------------|
|          |                 |         |        |           |              |              |              |               |                |

COUNCIL BILL #
Trans. Services

<table>
<thead>
<tr>
<th>Originating Department</th>
<th>Contact Person</th>
<th>Phone Number</th>
<th>FOR AGENDA OF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bob Carlson</td>
<td>425-257-7250</td>
<td>3-18-15</td>
</tr>
</tbody>
</table>

Initialed by:
Department Head
CAA
Council President

<table>
<thead>
<tr>
<th>Location</th>
<th>Preceding Action</th>
<th>Attachments</th>
<th>Department(s) Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Services</td>
<td>-0-</td>
<td>Agreement</td>
<td>Legal</td>
</tr>
</tbody>
</table>

| Amount Budgeted | -0- | |
| Expenditure Required | -0- | |
| Budget Remaining | -0- | |
| Additional Required | -0- | |

DETAILED SUMMARY STATEMENT:
Sound Transit is seeking the City’s assistance to perform new bus in-service inspections on (3) Gillig 40-foot transit buses. All work will be performed by City of Everett employees outside of their regular activities. Everett will recover all costs of the extra work performed on Sound Transit’s behalf.

RECOMMENDATION (Exact action requested of Council):
Authorize the Mayor to sign the Maintenance Service Agreement Regarding Transit Coach Acceptance Testing.