RIVERSIDE COUNTY TRANSPORTATION COMMISSION

MEETING AGENDA

TIME/DATE: **9:30 a.m. / Wednesday, May 13, 2026**

LOCATION: **BOARD ROOM**
County of Riverside Administrative Center
4080 Lemon Street, First Floor, Riverside

:

COMMISSIONERS

Chair – Raymond Gregory
Vice Chair – Jeremy Smith
Second Vice Chair – Chuck Washington

Jose Medina, County of Riverside, District 1
Karen Spiegel, County of Riverside, District 2
Chuck Washington, County of Riverside, District 3
V. Manuel Perez, County of Riverside, District 4
Yxstian Gutierrez, County of Riverside, District 5
Sheri Flynn / Cynthia Barrington, City of Banning
Lloyd White / David Fenn, City of Beaumont
Joseph DeConinck / Johnny Rodriguez, City of Blythe
Linda Molina / Eric Cundieff, City of Calimesa
Jeremy Smith / Kasey Castillo, City of Canyon Lake
Raymond Gregory / To Be Appointed, City of Cathedral City
Denise Delgado / To Be Appointed, City of Coachella
Jim Steiner / Tony Daddario, City of Corona
Dirk Voss / To Be Appointed, City of Desert Hot Springs
Clint Lorimore / Todd Rigby, City of Eastvale
Linda Krupa / Joe Males, City of Hemet
Toper Taylor / Dana Reed, City of Indian Wells
Waymond Fermon / Oscar Ortiz, City of Indio
Brian Berkson / Armando Carmona, City of Jurupa Valley
Kathleen Fitzpatrick / Deborah McGarrey, City of La Quinta
Bob Magee / Timothy Sheridan, City of Lake Elsinore
Bob Karwin / Dean Deines, City of Menifee
Ulises Cabrera / Edward Delgado, City of Moreno Valley
Cindy Warren / Lisa DeForest, City of Murrieta
Fia Sullivan / Kevin Bash, City of Norco
Jan Harnik / Joe Pradetto, City of Palm Desert
David Ready / Grace Garner, City of Palm Springs
Michael M. Vargas / Elizabeth Vallejo, City of Perris
Steve Downs / Ted Weill, City of Rancho Mirage
Chuck Conder / Patricia Lock Dawson, City of Riverside
Valerie Vandever / Alonso Ledezma, City of San Jacinto
James Stewart / Brenden Kalfus, City of Temecula
Joseph Morabito / Dustin Nigg, City of Wildomar
Catalino Pining, Governor's Appointee Caltrans District 8

Comments are welcomed by the Commission. If you wish to provide comments to the Commission, please complete and submit a Speaker Card to the Clerk of the Board.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

www.rctc.org

MEETING AGENDA*
****Actions may be taken on any item listed on the agenda***

9:30 a.m.
Wednesday, May 13, 2026

Board Room
County of Riverside Administrative Center
4080 Lemon Street, First Floor, Riverside, CA 92501

This meeting is being conducted in person via teleconference. Please visit https://rivco.org/constituent-speaking-request to complete a speaker slip and receive further instructions to participate via teleconference. For members of the public wishing to submit written comments, please email comments to the Clerk of the Board at lmobley@rctc.org prior to May 12, 2026, and your comments will be made part of the official record of proceedings.

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at the Commission office, 4080 Lemon Street, Third Floor, Riverside, CA, and on the Commission's website, www.rctc.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Commission meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS – *Each individual speaker is limited to speak three (3) continuous minutes or less. The Commission may, either at the direction of the Chair or by majority vote of the Commission, waive this three-minute time limitation. Depending on the number of items on the Agenda and the number of speakers, the Chair may, at his/her discretion, reduce the time of each speaker to two (2) continuous minutes. In addition, the maximum time for public comment for any individual item or topic is thirty (30) minutes. Also, the Commission may terminate public comments if such comments become repetitious. Speakers may not yield their time to others without the consent of the Chair. Any written documents to be distributed or presented to the Commission shall be submitted to the Clerk of the Board. This policy applies to Public Comments and comments on Agenda Items.*

Under the Brown Act, the Commission should not take action on or discuss matters raised during public comment portion of the agenda that are not listed on the agenda. Commission members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.

5. ADDITIONS / REVISIONS – *The Commission may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Commission subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Commission. If there are less than 2/3 of the Commission members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.*

6. PUBLIC HEARING – PROPOSED BUDGET FOR FISCAL YEAR 2026/27

Page 1

Overview

This item is for the Commission to:

1) Discuss, review, and provide guidance on the proposed Fiscal Year 2026/27 Executive Summary; and
2) Conduct a public hearing to receive input and comments on the proposed FY 2026/27 Proposed Budget on May 13 and June 10, 2026, and thereafter close the public hearing.

7. CONSENT CALENDAR – *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

7A. APPROVAL OF MINUTES – APRIL 8, 2026

Page 36

7B. SINGLE SIGNATURE AUTHORITY REPORT

Page 59

Overview

This item is for the Commission to:

1) Receive and file the Single Signature Authority report for the third quarter ended March 31, 2026.

7C. MONTHLY INVESTMENT REPORT

Page 61

Overview

This item is for the Commission to:

1) Receive and file the Monthly Investment Report for the month ended March 31, 2026.

7D. AGREEMENT FOR CONSTRUCTION MANAGEMENT, MATERIALS TESTING, CONSTRUCTION SURVEYING AND ENVIRONMENTAL MONITORING SERVICES FOR SANTA ANA RIVER TRAIL 2, PHASE 6 – PACKAGE A PROJECT

Page 64

Overview

This item is for the Commission to:

1) Award Agreement No. 26-67-029-00 to Accenture Infrastructure & Capital Projects LLC, for Construction Management, Materials Testing, Construction Surveying and Environmental Monitoring Services for Santa Ana River Trail 2 (SART 2), Phase 6 – Package A Project in the amount of $1,530,880, plus a contingency amount of $107,161, for a total amount not to exceed $1,638,041;
2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the Agreement on behalf of the Commission;
3) Authorize the Executive Director, or designee, to approve contingency work up to the total not to exceed amount as required for these services; and
4) Authorize the Executive Director to make changes between fund types within the total amount approved by the Commission to facilitate the most efficient use of funds.

7E. FISCAL YEAR 2025/26 SB 821 BICYCLE AND PEDESTRIAN FACILITIES PROGRAM ADDITIONAL FUNDING RECOMMENDATIONS

Page 131

Overview

This item is for the Commission to:

1) Approve additional project awards for the Fiscal Year (FY) 2025/26 SB 821 Bicycle and Pedestrian Facilities (SB 821) program for an additional amount of $491,000, and a total amount not to exceed $7,770,863;
2) Direct staff to prepare and execute a memorandum of understanding (MOU) with the city of Eastvale and an amendment with the city of Jurupa Valley to outline the project schedules and local funding commitments; and
3) Authorize the Executive Director to execute the MOU and amendment with the local agencies, pursuant to legal counsel review.

7F. FISCAL YEAR 2025/26 LOW CARBON TRANSIT OPERATIONS PROGRAM ALLOCATIONS

Page 135

Overview

This item is for the Commission to:

1) Approve the allocation of $4,872,489 related to Fiscal Year (FY) 2025/26 Low Carbon Transit Operations Program (LCTOP) funds to eligible Riverside County transit operators;

2) Authorize the Executive Director, or designee, to review the transit operators' projects to ensure consistency with the LCTOP guidelines and to execute and submit required documents to the California Department of Transportation (Caltrans) for LCTOP; and
3) Adopt Resolution No. 26-008 for "*Authorization for the Execution of the Certifications and Assurances and Authorized Agent Forms for the Low Carbon Transit Operations Program for the Southern California Regional Rail Authority Service Optimization in Riverside County in the amount of $900,000".*

7G. AMENDMENT TO PALO VERDE VALLEY TRANSIT AGENCY'S FISCAL YEAR 2025/26 SHORT RANGE TRANSIT PLAN

Page 151

Overview

This item is for the Commission to:

1) Approve a $217,350 increase in the Fiscal Year 2025/26 Local Transportation Funding (LTF) allocation for the Palo Verde Valley Transit Agency (PVVTA) for a new allocation amount of $1,693,971; and
2) Approve the amendment to PVVTA's FY 2025/26 Short-Range Transit Plan (SRTP) reflecting the funding adjustment.

7H. AGREEMENT FOR PUBLIC AND SPECIALIZED TRANSIT PLANNING SERVICES

Page 158

Overview

This item is for the Commission to:

1) Award Agreement No. 26-62-053-00 to AMMA Transit Planning, Inc., for Public and Specialized Transit Planning Services, for a three-year term and two one-year options to extend the agreement, in an amount not to exceed $740,827; and
2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission.

7I. STATE AND FEDERAL LEGISLATIVE UPDATE

Page 187

Overview

This item is for the Commission to:

1) Receive and file a state and federal legislative update.

8. INTERSTATE 15 EXPRESS LANES PROJECT SOUTHERN EXTENSION PROGRESSIVE DESIGN-BUILD PHASE 1 AGREEMENTS

Page 207

Overview

This item is for the Commission to:

1) Award Agreement No. 25-31-007-00 to SC Constructors (a joint-venture composed of Skanska USA Civil West, California District Inc. and Coffman Specialties Inc.) to initiate Progressive Design-Build Phase 1 of the Interstate 15 (I-15) Express Lanes Project Southern Extension (ELPSE) (Project), in the amount of $38,457,635 with a Design Option amount not to exceed $11,600,000 plus a contingency amount of $5,005,764 for a total amount not to exceed $55,063,399;
2) Award Change Order No. 46 to Agreement No. 16-31-043-00 for the I-15 ELPSE with Kapsch TrafficCom USA Inc. (Kapsch) to provide design services in support of the Project in the amount of $1,134,185 with an estimated Design Option support cost of $330,000 plus a contingency amount of $146,419 for a total amount not to exceed $1,610,604;
3) Approve Memorandum of Understanding (MOU) No. 26-31-044-00 with the city of Corona for the I-15 ELPSE;
4) Approve MOU No. 26-31-043-00 with the city of Lake Elsinore for the I-15 ELPSE;
5) Authorize the Executive Director or designee to negotiate and finalize Toll Facility Agreement No. 26-31-055-00 with Caltrans for the I-15 ELPSE;
6) Authorize the Chair or Executive Director, pursuant to legal counsel review and receipt of funding authorization (E-76), to execute the agreements on behalf of the Commission; and
7) Authorize the Executive Director or designee to approve contingency work up to the total amount not to exceed as required for the Project.

9. CONSOLIDATION OF THE 91 EXPRESS LANES BACK OFFICE AND CUSTOMER SERVICES OPERATIONS WITH THE 15 EXPRESS LANES BACK OFFICE AND CUSTOMER SERVICE OPERATIONS AND APPROVE AN AMENDED AND RESTATED EXPRESS LANES PROJECT TOLL SERVICES AGREEMENT WITH KAPSCH TRAFFICCOM USA INC. AND ORANGE COUNTY TRANSPORTATION AUTHORITY ALSO AN AMENDED AND RESTATED EXPRESS LANES COOPERATIVE AGREEMENT WITH ORANGE COUNTY TRANSPORTATION AUTHORITY

Page 783

Overview

This item is for the Commission to:

1) Award the Amended and Restated Three Party Agreement with Kapsch Traffic Com USA Inc. (Kapsch) and Orange County Transportation Authority (OCTA), Agreement No. 16-31-043-05, adding OCTA as a party to the agreement, for the provision of back-office system (BOS) customer service center services (CSC) and traffic operation services (TOC) for the 91 Express Lanes, increasing the agreement by $81,360,002, plus a contingency amount of $12,000,000, for a total increased amount not to exceed $93,360,002;

2) Authorize the payment of pass-through items not to exceed $38,000,000 for the Commission's share of the amended scope of work pass-through costs;
3) Authorize the Executive Director or designee to approve the use of the contingency amount;
4) Determine that execution of the amended and restated agreement with Kapsch is in the best interest of the public and the Commission;
5) Approve amended and restated cooperative agreement for Express Lanes between Riverside County Transportation Commission and OCTA (ORCA) Agreement No. 12-31-039-01; and
6) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of the Commission.

10. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

11. EXECUTIVE DIRECTOR REPORT

12. COMMISSIONER COMMENTS

Overview

This item provides the opportunity for brief announcements or comments on items or matters of general interest.

13. ADJOURNMENT

The next Commission meeting is scheduled to be held on **Wednesday, June 10, 2026.**

AGENDA ITEM 6

PUBLIC HEARING

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

DATE:	May 13, 2026
TO:	Riverside County Transportation Commission
FROM:	Budget and Implementation Committee Sergio Vidal, Chief Financial Officer Jennifer Fuller, Deputy Director of Finance Maria Garcia, Financial Budget Manager
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	Proposed Budget for Fiscal Year 2026/27

BUDGET AND IMPLEMENTATION COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

1) Discuss, review, and provide guidance on the proposed Fiscal Year 2026/27 Executive Summary; and
2) Conduct a public hearing to receive input and comments on the proposed FY 2026/27 Proposed Budget on May 13 and June 10, 2026, and thereafter close the public hearing.

BACKGROUND INFORMATION:

Section 7(A) of the Riverside County Transportation Commission (RCTC) Administrative Code requires that an annual budget be considered and adopted by the Commission no later than June 15 following the conduction of the public hearing.

The first step in the FY 2026/27 budget development process was approval of the Commission's Policy Goals and Objectives, which occurred on March 11, 2026. These Policy Goals and Objectives included quality of life, achieving operational excellence, connecting the economy, being a responsible partner, and maintaining fiscal accountability.

The next step is the Commission's consideration of the Executive Summary, which outlines revenues and expenses by category, funding priorities, and strategic alignment of the proposed budget, along with the opening of the required public hearing during the May Commission meeting. The purpose of this staff report is to outline the FY 2026/27 Executive Summary and open the public hearing on May 13, 2026, concluding on June 10, 2026. Final adoption of the budget will take place at the June 10, 2026, Commission meeting.

The Commission's budget is primarily project-driven and includes service-oriented enterprise operations such as the Interstate 15 and State Route 91 Express Lanes. As a project-driven agency, RCTC accumulates reserves over multiple fiscal years to fund large, multi-year capital

projects and programs. This structure provides flexibility to adjust project schedules in response to economic conditions or project delays. Staff has completed the initial budget preparation process, culminating in the attached Executive Summary (Attachment 1) for the proposed FY 2026/27 Budget.

FY 2026/27 Budget Overview

Total Sources increased by approximately 4 percent to $1.3 billion, primarily due to higher intergovernmental reimbursements, increased revenues, and higher projected investment income.

Total Uses decreased by approximately 5 percent to $1.3 billion, reflecting project activity wind-down in certain capital programs.

The proposed FY 2026/27 Budget anticipates that total uses will exceed total sources by approximately $23.7 million, with accumulated reserves utilized to support project delivery. Accumulated reserves will be utilized for projects such as:

- Transit operating and capital disbursements utilizing both Local Transportation Fund (LTF) and State Transit Assistance (STA) funds for transit operators, including Riverside Transit Agency, Sunline Transit Agency, Palo Verde Valley Transit Agency, and the four municipal operators in western Riverside County (i.e., cities of Banning, Beaumont, Corona, and Riverside)
- Transit and Intercity Rail Capital Program (TIRCP) SB 125 funding, including capital allocations to the transit operators and grade separation projects such as city of Banning-Hargrave Avenue, city of Beaumont-Pennsylvania Avenue, city of Corona-McKinley Street, and County of Riverside-Broadway Street
- Highway projects funded by Measure A highway funds such as State Route 79 and Mid County Parkway Projects

Furthermore, Tables 18-20 (Attachment 1) provide a summary of budgeted sources and uses from multiple perspectives (comparative, operating and capital, and fund type).

FY 2026/27 Proposed Budget – Sources

Total budgeted sources (see Attachment 1: Table 2) are estimated at approximately $1.3 billion, representing an approximate 4 percent increase from the prior year revised budget. The break-out is as follows:

Summary of Attachment 1: Table 2

FY 2026/27 – Proposed Budget (Sources)	
Revenues	$ 1,054,002,000
Transfers In	269,173,800
Total Sources	**$1,323,175,800**

Key contributing factors for anticipated increases in revenue when compared to the prior year revised budget include:

- Increased intergovernmental revenues tied to reimbursements for projects such as Mid County Parkway, I-15 Southern Extension, and I-15/Franklin Street Interchange.
- Higher investment income due to increased cash balances and interest rates.
- Increased toll revenues driven by higher traffic demand.
- Other revenues reflect an anticipated land sale near Cajalco Road.

Measure A and Local Transportation Fund revenues reflect projections approved by the Commission in February 2026. Due to ongoing economic uncertainty related to trade conditions, oil supply constraints, and geopolitical events, staff has maintained a prudent sales tax forecast.

State Transit Assistance (STA) revenues are projected to decline compared to the prior year due to reduced diesel fuel consumption and increased adoption of electric vehicles.

Intergovernmental revenues are budgeted to increase approximately five percent, reflecting active construction, engineering, and reimbursement activity on projects such as Mid County Parkway, SR-79, Perris Valley Line improvements, Smart Freeways, and SB 125-funded transit and grade separation projects.

Tolls, penalties, and fees are anticipated to increase approximately nine percent, driven by continued strong performance of the SR-91 and I-15 Express Lanes and increased traffic demand.

Investment income is projected to increase by approximately 58 percent, driven by higher average rates of return (approximately 3 to 4 percent) and increased cash balances.

The proposed decrease in transfers in is largely due to the repayment of the interfund loan from the 15 Express Lanes to Measure A (Western County) funds, transfers within the Enterprise funds to fund future repair and rehabilitation obligations for the 91 Express Lanes, and the anticipated surplus funding generated in FY 2025/26.

The staff's estimate of total sources represents a cautiously optimistic outlook to the County's economic activity. Key trends to be monitored by staff impacting our estimates include unemployment, interest, and inflation rates.

FY 2026/27 Proposed Budget - Uses

FY 2026/27 uses (Attachment 1: Table 3) are estimated to be approximately $1.3 billion, representing a five percent decrease from the prior year revised budget. The break-out is as follows:

Summary of Attachment 1: Table 3

FY 2026/27 – Proposed Budget (Uses)	
Expenditures/Expenses	$1,077,778,500
Transfers Out	$ 269,173,800
Total Uses	**$1,346,952,300**

The decrease when compared to FY 2025/26 is largely related to reductions in the following categories: Capital Highway, Rail, and Regional Arterials, and Public and Specialized Transit, offset by increases in Capital Local Streets and Roads, Commuter Assistance, and Planning and Programming.

The anticipated decrease in Capital Highway, Rail, and Regional Arterials is primarily attributed to project activity winding down, reduction in anticipated allocation, or nearing completion in the upcoming fiscal year for the following projects: 71/91 Connector, Jurupa Avenue Grade Separation, Coachella Valley Measure A, and Smart Freeways.

The anticipated decrease in debt service is nominal due to lower interest expense in the upcoming fiscal year.

The decrease in Public and Specialized Transit budgeted expenditures is due to a reduction in the anticipated operating and capital allocation needs by transit operators, including SB 125 transit capital and grade separation projects.

The anticipated increases in Capital Local Streets and Roads are due to additional funding provided to partner agencies, aligned with growth in Measure A.

The anticipated increases in Commuter Assistance are due to increased funding for RCTC initiatives in the upcoming fiscal year, such as, Trip Spark and the Transportation Demand Management Study, and funding for reduced or free Metrolink Passes to eligible commuters.

The anticipated increases in Planning and Programming are largely due to funding for partner projects delivered by the Commission, such as Beaumont Potrero Interchange Phase II Project and I-15/Franklin Street Interchange Project in Lake Elsinore.

The anticipated increases in Motorist Assistance are due to Freeway Service Patrol (FSP) program operations.

The anticipated cost increases in Management Services, Rail Maintenance and Operations, Regional Conservation, and Toll Operations categories align with projected program growth.

Since the Commission is primarily project-driven, total personnel costs (salaries and benefits) represent less than two percent of the overall budgeted expenditures. The Commission's personnel costs are allocated agency-wide among various programs such as Public and Specialized Transit, Toll Operations, Regional Conservation, and directly to various projects.

Furthermore, administrative salaries and benefits subject to the Measure A ordinance total 0.64 percent of projected Measure A revenue for the upcoming fiscal year, which is less than the one percent maximum threshold.

As approved by the Executive Committee on January 29, 2026 and April 8, 2026, budgeted personnel costs also reflect the following changes for the upcoming fiscal year:

Changes in Personnel Costs - FY 2026/27:

- The five full-time equivalent (FTE) positions increase is related to the recruitment of positions for Toll Operations and Regional Conservation. A Deputy Director of Toll Operations Technology and Roadway, Roadway and Facilities Operations Manager, and Toll Contracts and Budget Manager were added to the positions for Toll Operations. A Senior Management Analyst (RC) Management & Monitoring and MSHCP Compliance Manager were added to the positions for Regional Conservation. RCA will reimburse RCTC for all eligible costs related to their associated positions
- A 4 percent pool for performance merit-based salary increases; and 3.5 percent annual salary range cost of living adjustment (COLA). The COLA only applies to the Commission's salary range structure and is not automatically applied to employees' salaries. The COLA adjustment is based on the percent change to the Consumer Price Index (CPI) for the Riverside-San Bernardino-Ontario Metropolitan Area for the 12-month period ending December 31, rounded to the nearest half a percent, with a maximum adjustment of 4 percent. This is based on Commission policy. The CPI for the All-Urban Wage Earners, covering Riverside, CA for the most recent 12-month period ending December 31, 2025, was 3.3 percent. In accordance with the Commission's policy, CPI was rounded to 3.5 percent and applied to the Commission's salary range structure for FY 2026/27.
- Increase the monthly employer contribution towards employee health care to a total up to $1,938.10 and offer a monthly $200.00 lump sum or 401(a) contribution to employees who elect to waive health coverage though the Commission's health plan.

With the FY 2026/27 Budget, the Commission will continue to move forward current capital projects to construction, thereby providing a stimulus to the local economy. Significant capital projects budgets by phase include:

Engineering:

- **Highway**
  - SR-79 Segment 1
  - 15/91 Express Lanes Transit Connector
  - 91 Pavement Rehabilitation
  - I-10 Pass Express Lanes
  - 91 Third Express Lane
- **Regional Arterial**
  - Jurupa Avenue Grade Separation

- **Rail**
  - Mead Valley Station
  - Perris Valley Line Double Track
- **Public and Specialized Transit**
  - SB 125 Formula Funding - Grade Separation
    - City of Banning – Hargrave Ave Grade Separation
    - Riverside-Broadway Grade Separation

Construction:

- **Highway**
  - Mid County Parkway Projects
  - I-15 Southern Extension
  - Smart Freeways
- **Regional Arterial**
  - Beaumont Potrero Interchange Phase II
  - Jurupa Avenue Grade Separation
  - Wildomar Bundy Canyon Rd Segment 2
  - Banning Sun Lakes Extension
- **Rail**
  - South Perris Valley Line Station & Layover Facility
  - Perris Valley Line Double Track
  - Riverside Downtown Metrolink Station at Grade Crossing
- **Public and Specialized Transit**
  - SB 125 Formula Funding - Grade Separation
    - City of Corona-McKinley Street
    - County of Riverside-Jurupa Avenue
    - City of Beaumont-Pennsylvania Avenue

Design-Build:

- **Highway**
  - I-15 Express Lanes - Southern Extension
  - 91 Eastbound Corridor Operations Project
  - SR-91 Corridor

Right of Way and Land:

- **Highway**
  - SR-79 Realignment
  - Mid County Parkway projects
  - ROW Advanced Mitigation Program
- **Regional Arterial**
  - I-15/Franklin St. Interchange Project
  - Santa Ana Trail – West of SR71

Table 21 in Attachment 1 presents a complete summary of highway, regional arterial, rail, and regional conservation program projects.

A summary of the proposed FY 2026/27 Budget is as follows:

		Proposed FY 2026/27 Budget
Revenues and other financing sources:		
Measure A	$	280,000,000
Local Transportation Funds		150,000,000
Intergovernmental (i.e., federal, state, and local)		298,107,700
Transportation Uniform Mitigation Fee		22,000,000
State Transit Assistance		31,499,900
Tolls, penalties, and fees		160,722,000
Other revenues		41,470,300
Investment income		70,202,100
Transfers in		269,173,800
Total revenues and other financing sources		1,323,175,800
Expenditures and other financing uses:		
Personnel salaries and benefits		24,234,300
Professional services and support costs		57,388,200
Projects and operations		893,670,400
Capital outlay		6,383,600
Debt service (principal and interest)		96,102,000
Transfers out		269,173,800
Total expenditures and other financing uses		1,346,952,300
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		(23,776,500)
Beginning fund balance (projected)		2,170,070,900
Ending fund balance (projected)	$	2,146,294,400

At its June 10 Commission meeting, staff will present the entire budget document with detailed narratives and the FY 2026/27 salary schedule.
Attachment: Executive Summary for the Proposed FY 2026/27 Budget

Approved by the Budget and Implementation Committee on April 27, 2026

In Favor: 13 Abstain: 0 No: 0

EXECUTIVE SUMMARY

INTRODUCTION

The budget for FY 2026/27 is presented to the Board of Commissioners (Board) and the residents of Riverside County. The budget outlines the projects and programs the Commission plans to undertake during the year and appropriates expenditures to accomplish these tasks. The budget also shows the funding sources and fund balances for these projects and programs. This document serves as the Commission's monetary guideline for the fiscal year. To provide the reader a better understanding of the projects and programs, staff included descriptive information regarding each department and major programs and projects. This budget is presented based on the best available economic information. The Board and staff will continuously monitor, assess, and re-prioritize the budgeted revenues and expenditures as necessary. The discussion in each department includes a review of accomplishments, major initiatives, and key assumptions.

POLICY GOALS AND OBJECTIVES

As approved at its March 11, 2026 meeting, the Commission is driven by four core mission statements and underlying goals to improve mobility for the people of Riverside County and the transportation system upon which they rely:

QUALITY OF LIFE **RCTC is focused on improving life for the people of Riverside County and empowering them to live life at their pace.**	
Choice	RCTC empowers the people of Riverside County to choose how to safely and efficiently get to where they are going.
Environmental Stewardship	RCTC supports environmental protection by implementing sustainable practices for its capital projects, as well as designing and operating energy efficient water conserving facilities. As the managing agency of the Western Riverside County Regional Conservation Authority and a permittee of the Multiple Species Habitat Conservation Plan, RCTC protects open space for county residents and conserves habitat of threatened and endangered species.
Mobility	RCTC provides access, equity, and choice in transportation; RCTC is a multimodal mobility partner.
Equity	RCTC supports transportation services and projects that address inequities, especially those in rural, low income, and disadvantaged communities.
Access	RCTC projects and programs are the connection to employment, housing, schools, community institutions, parks, medical facilities, and shopping in the region, and RCTC strives to make them equitably accessible to all communities served.
Goods Movement	RCTC facilitates the funding and delivery of projects that mitigate the impact of increased goods movement flow through Riverside County and advocates for a reasonable balance between the need to maintain the supply chain and to protect public health. RCTC identifies solutions to reduce truck congestion and community impacts from the flow of goods from nearby ports.
Public Engagement	RCTC is dedicated to engaging all Riverside County residents through ongoing, meaningful two-way public communication and outreach.

OPERATIONAL EXCELLENCE **RCTC is a responsible and conservative steward of taxpayer dollars.**	
State of Good Repair	RCTC provides funding for road safety and maintenance as well as sustainable practices to maintain its stations and facilities.
Promises Fulfilled	Projects are completed on-time and on-budget; RCTC delivers on its promises as a steward of Riverside County residents' investment.
Efficiency	RCTC operates in an efficient and cost-effective manner.
Innovation	RCTC seeks to implement innovative transportation solutions.
Information	RCTC seeks to provide timely, transparent, and easily accessible information to the public; ensuring people receive prompt, dependable, and quality service.

CONNECTING THE ECONOMY **RCTC is a driver of economic growth in Riverside County.**	
Workforce Mobility	RCTC improves the economy by creating a robust workforce-to-workplace system; RCTC fosters workforce development by improving transportation access from housing to employment and education centers.
Population Growth	Riverside County's population has quadrupled from 550,000 to nearly 2.5 million since 1976, and is projected to increase by at least 500,000 to over 3 million residents by 2050. RCTC has been responsible for anticipating and accommodating this growth while supporting the county's economy. RCTC is mindful of and strives to be responsive to each geographic area's unique needs.
Economic Impact	RCTC has invested over $5.2 billion in the County's economy from both Measure A and toll revenues, which has a multiplier impact in terms of jobs and economic opportunity throughout Riverside County.

RESPONSIBLE PARTNER **RCTC partners with local, tribal, regional, and state governments to deliver transportation projects and programs.**	
Streets and Roads	RCTC has invested over $1.5 billion in local priorities for maintaining streets and roads and fixing potholes.
Transit	RCTC partners with transit operators to provide residents mobility choices, flexibility, intercity and inter-county connectivity, and access.
Active Transportation Facilities	RCTC continually improves its stations for better bicycle and pedestrian access and partners with agencies within the county to promote active transportation alternatives, including building regional trails and bicycle and pedestrian facilities in accordance with local general plans and active transportation plans.
Grants	RCTC actively pursues and obtains state and federal grants to leverage Measure A and toll revenue dollars to improve mobility for our communities.
Local Value of Measure A	RCTC invests Measure A dollars into projects and programs that benefit local communities throughout the county.
Partnerships	RCTC strives to form collaborative partnerships with key stakeholders in the public and private sectors to ensure support for projects and programs, relief from regulations, and to find solutions for shared challenges.

Staff used these core mission statements and goals to prepare this budget and develop the following short-term objectives to further guide the planning for the FY 2026/27 budget.

CAPITAL AND TOLL PROJECT DEVELOPMENT AND DELIVERY

- Continue preliminary engineering, design, right of way acquisition, and/or construction of projects included in the Western County Highway Delivery Plan and development of projects that improve operations of Metrolink commuter rail service.
- Continue as the lead agency for delivering the Coachella Valley Rail corridor (CV Rail corridor) project.
- Begin preliminary design of the I-15 Express Lanes-Southern Extension (ELPSE) project.
- Continue Plans, Specifications, and Estimates (PS&E) and right of way acquisition for the SR-79 corridor project, segment 3.
- Complete innovative funding and finance study to identify means to deliver SR-79 Segments 1 and 2.
- Commence the development of I-10/SR-79 Interchange Improvement Project Project Study Report - Project Development Support document.
- Continue construction of the MCP Ramona Expressway project.
- Commence planning and identify funding for MCP 2 or 4 project.
- Begin preliminary design and right of way acquisition for the 91 ECOP project.
- Initiate the 15/91 Express Transit Connector Project Approval/Environmental Document phase.
- Initiate the 91 Third Express Lane Project Study Report - Project Development Support document.
- Initiate the 91 Express Lanes Major Pavement Rehab Project Approval/Environmental Document phase.
- Complete the I-10 (San Gorgonio Pass) Express Lanes Project Study Report - Project Development Support document.
- Commence construction of the South Perris Station and Layover expansion project
- Commence design of the Mead Valley Commuter Rail Station.
- Complete the design and commence construction of the Perris Valley Line Double Track Project, 6.8 miles long.
- Complete the design and commence construction of the Riverside Downtown Station At-grade crossing project.
- Initiate the I-215 Railroad Barrier Wall Project Study Report and commence design of the project.
- Initiate the Perris Valley Line drainage Project Study Report.
- Continue to support operations planning, design, and construction of projects led by other agencies.
- Continue as lead agency for partner agency projects; continue preliminary engineering of the I-10/Highland Springs Avenue Interchange project; continue environmental clearance, design, and construction efforts for the Santa Ana River Trail; continue construction on the SR-60/Potrero Boulevard interchange phase II project; continue design of the I-15/Franklin interchange project and Pennsylvania Avenue grade separation project; and continue development of project study reports for I-15/Wildomar Trail and I-15/Bundy Canyon Road interchanges.
- Consider opportunities to implement technology-based strategies, or smart freeway projects, to manage traffic, reduce congestion and pollution, increase safety, and improve the quality of commutes. Continue operation of the Smart Freeway project on I-15 in Temecula. Complete the Design and Engineering Evaluation Report for the I-10 Ramp Metering project in the San Gorgonio Pass.
- Maintain and enhance communication and collaboration with the California State Transportation Agency (CalSTA), California Transportation Commission (CTC), and Caltrans to improve the Commission's ability to deliver critical projects.
- Collaborate with local jurisdictions to implement Transportation Uniform Mitigation Fee (TUMF) regional arterial program projects and facilitate the delivery of eligible arterial improvements in western Riverside County (Western County).
- Continue active engagement in state and federal efforts to streamline and modernize the California Environmental Quality Act (CEQA) and the NEPA to improve the Commission's ability to deliver critical projects.

OPERATIONS

- Efficiently operate the 91 and 15 Express Lanes, achieve high customer satisfaction, and provide a reliable travel option.
- Efficiently and cost effectively operate the nine Commission-owned and -operated commuter rail stations and the 91/Perris Valley Line (PVL) rail corridor to ensure reliable high quality commuter rail service.
- Efficiently provide motorist assistance services so that motorists can conveniently travel and use transportation facilities as safely as possible.

REGIONAL PROGRAMS

- Proactively engage state and federal legislators and agencies to advance principles identified in the adopted Legislative Platform to ensure the Commission receives due consideration for transportation projects and funding for key regional needs and mobility choice.
- Monitor transit trends and the associated economic, social, and public health factors that impact ridership and create barriers to transit growth.
- Continue to subsidize reliable and cost-effective Metrolink commuter rail service, operated by SCRRA, to, from, and throughout Riverside County.
- Provide continued leadership in the planning and development for the CV Rail corridor.
- Support innovative programs that provide transit assistance in rural areas as well as for riders with specialized transit needs.
- Promote cost controls and operating efficiency for transit operators as well as supporting regional goals to reduce congestion and improve air quality and mobility options for all users.
- Maintain effective partnerships among commuters, employers, and government to increase the efficiency of our transportation system by encouraging and promoting telework and motorized and non-motorized transportation alternatives such as vanpools.

MANAGEMENT SERVICES

- Maintain close communication with Commissioners and educate policy makers on all issues of importance to the Commission, including Measure A and key Commission funding sources.
- Develop and execute a communication, public information, and community engagement strategy for the purposes of education, partnership building, information sharing, and customer service.
- Maintain administrative program delivery costs below the policy threshold of 4% of Measure A revenues; the FY 2026/27 Management Services budget is 2.00% of Measure A revenues.
- Maintain administrative salaries and benefits at less than 1% of Measure A revenues; the FY 2026/27 administrative salaries and benefits is 0.64% of Measure A revenues.
- Maintain prudent cash reserves to provide for unplanned expenditures or economic downturns.
- Continue communicating current and anticipated financial performance for RCTC-issued debt financings ensuring the corresponding rating is achieved and issued by the applicable rating agencies.
- Establish and maintain revenues and related reserves generated from toll operations to be available for debt service in accordance with toll supported debt agreements, maintenance, repair and rehabilitation, administration, operations, and capital projects within the corridor.

LINKING COMMISSION AND DEPARTMENTAL MISSION STATEMENTS

The following matrix (Table 1) illustrates the linkage of the Commission's core mission statements described in this section to the individual departmental mission statements included in each department's section.

TABLE 1 – RELATIONSHIP BETWEEN COMMISSION AND DEPARTMENTAL MISSION STATEMENTS

Department	Quality of Life	Operational Excellence	Connecting the Economy	Responsible Partner
Management Services				
Executive Management	X	X	X	X
Administration		X		
External Affairs	X	X	X	X
Finance		X		
Regional Programs				
Planning and Programming	X	X	X	X
Rail Maintenance and Operations	X	X	X	X
Public and Specialized Transit	X	X	X	X
Commuter Assistance	X	X	X	X
Motorist Assistance	X	X	X	X
Regional Conservation	X	X	X	X
Capital Project Development and Delivery	X	X	X	X
Toll Operations	X	X	X	X

BUDGET OVERVIEW

The FY 2026/27 budget includes revenues of $1,054,002,000 and transfers in of $269,173,800 for total sources of $1,323,175,800 (Table 2). The FY 2026/27 budget includes expenditures/expenses of $1,077,778,500 and transfers out of $269,173,800 for total uses of $1,346,952,300 (Table 3).

The upcoming FY 2026/27 budget anticipates utilizing $23,776,500 in fund balance reserves. Specifically, the use of fund balance is projected to fund multi-year projects as follows: Regional Arterial projects funded by both TUMF and Measure A regional arterial funds (Western county and Coachella Valley; Transit operating and capital disbursements utilizing both LTF and State Transit Assistance (STA) funds; MCP projects; capital projects and station maintenance and rehabilitation (e.g., Mead Valley and Riverside Downtown stations); and programmed SB 125 transit capital and grade separation projects.

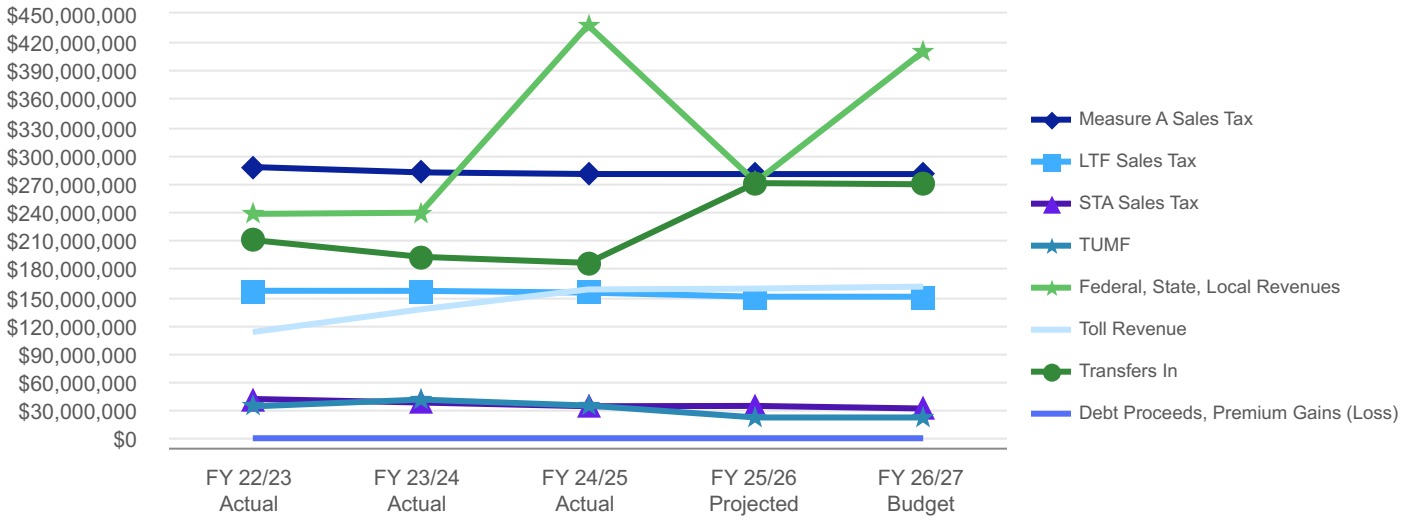
Total Sources (Table 2) are budgeted at $1,323,175,800, a 4% increase over FY 2025/26 budget. The increase is a result of higher intergovernmental revenues related to the following projects: SR-79 realignment, MCP #3, Smart Freeway, 15 Express Lanes — Southern Extension, 91 ECOP, Santa Ana River Trail, rail station rehabilitation, Coachella Valley rail station planning and development, Perris Valley Line Double TrackI-10 Highland Springs interchange, I-15/Franklin Street interchange, I-15 Bundy Canyon Road interchange, I-15 Wildomar Trail interchange, SR-60/Potrero Boulevard interchange phase II, and SB 125 projects, Mid County Parkway, offset by a decrease in reimbursements for the SR-71/91 interchange project due to the near completion of the project; increase in Toll, Penalties, and Fees for the RCTC 91 Express Lanes and 15 Express Lanes due to continued out-performance of traffic and revenue expectations; anticipated investment income due to projected higher investment yields and cash balances; and an anticipated land sale. Total sources are comprised of revenues of $1,054,002,000 and transfers in of $269,173,800.

TABLE 2 – SOURCES FY 2025-2027

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Measure A Sales Tax	$ 280,039,500	$ 280,000,000	$ 280,000,000	$ 280,000,000	$ –	0%
LTF Sales Tax	154,335,600	150,000,000	150,000,000	150,000,000	–	0%
STA Sales Tax	33,920,900	33,936,200	34,245,600	31,499,900	(2,436,300)	-7%
Intergovernmental	335,355,200	285,191,400	200,971,100	298,107,700	12,916,300	5%
TUMF Revenue	34,609,300	22,000,000	22,000,000	22,000,000	–	0%
Tolls, Penalties, and Fees	157,703,600	147,857,700	158,600,200	160,722,000	12,864,300	9%
Other Revenue	7,920,000	5,746,700	1,373,200	41,470,300	35,723,600	622%
Investment Income	94,366,800	44,392,100	69,452,900	70,202,100	25,810,000	58%
Contribution	11,727,300	–	–	–	—	N/A
Transfers In	185,862,000	298,363,700	270,400,200	269,173,800	(29,189,900)	-10%
TOTAL Sources	$ 1,295,840,200	$ 1,267,487,800	$ 1,187,043,200	$ 1,323,175,800	$ 55,688,000	4%

Riverside County has specific competitive advantages over nearby coastal counties (Los Angeles, Orange, and San Diego), including housing that is more available and affordable, as well as plentiful commercial real estate and land available for development at lower costs. Riverside County's economy is benefiting from employment gains that are a function of the County's ability to attract businesses with lower commercial rents and a skilled labor force. Population migration to the Inland Empire (i.e., Riverside and San Bernardino counties) occurred due to these employment opportunities and a lower cost of living compared to the coastal counties. Stability in the local labor and housing markets have contributed to sales tax revenue stability as noted on Chart 3.

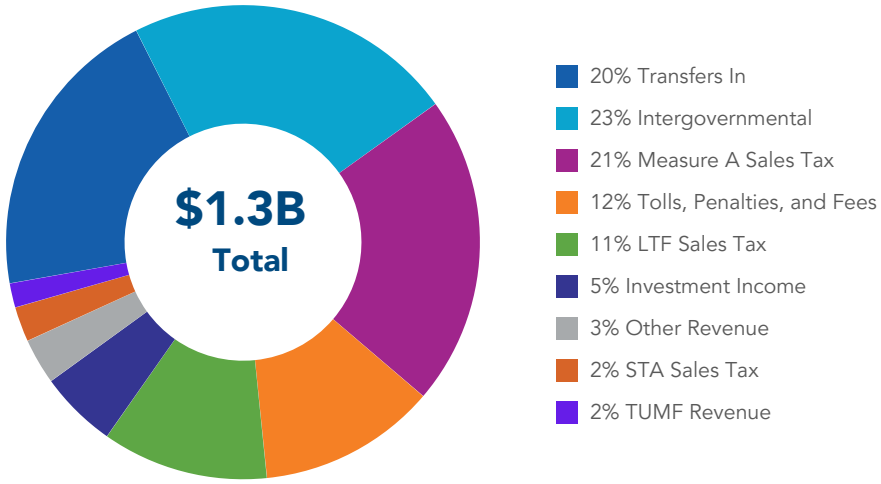
CHART 3 – SOURCES: FIVE-YEAR TREND



Regardless of current and future economic conditions, the Commission faces formidable ongoing challenges in providing needed infrastructure enhancements to support a population and an economy that has outgrown the capacity of its existing infrastructure. The foundation of the regional economy continues to retain many of the fundamental positive attributes that fueled its earlier growth, including more affordable real estate with proximity to coastal communities, a large pool of skilled workers, and increasing wealth and education levels.

While the Commission's primary revenues are the Measure A and LTF sales taxes, other revenues and financing sources are required to fund the Commission's programs and projects as illustrated in Chart 4. The Commission receives Measure A and LTF sales tax revenues from the California Department of Tax and Fee Administration (CDTFA).

CHART 4 – SOURCES: MAJOR CATEGORIES



After considering the state of the local economy, staff projects Measure A sales tax revenues of $280,000,000 for FY 2026/27. This is unchanged from the FY 2025/26 projection of $280,000,000. Generally, the Commission reassesses its sales tax revenue projections at midyear based on the economy and revenue trends; however, the Commission anticipates more frequent reviews throughout FY 2026/27 as other key economic indicators become known such as the region's inflation and unemployment rate, along with impacts (if any) resulting from macro economic factors which affect the local economy.

On behalf of the County, the Commission administers the LTF for public transportation needs, local streets and roads, and bicycle and pedestrian facilities. The majority of LTF funding received by the County and available for allocation is distributed to all public transit operators in the County. The Commission receives allocations for administration, planning, and programming in addition to funding for Western County rail operations included in the commuter rail Short Range Transit Plan (SRTP). LTF sales tax revenue is budgeted at $150,000,000, and remains unchanged from the FY 2025/26 $150,000,000 projection.

A statewide sales tax on motor vehicle diesel fuel generates STA funds, which the State Controller allocates by formula to the Commission for allocations to the County's public transit operators. SB 1 provides additional STA revenues, including State of Good Repair (SGR) funds for transit maintenance, rehabilitation, and capital projects. The FY 2026/27 STA/SGR allocations, based on recent State estimates, is $31,499,900.

Intergovernmental revenues include reimbursement revenues from federal sources of $131,119,300, state sources of $70,285,000, and local agencies of $96,703,400 for highway and rail capital projects, rail operations and station maintenance, commuter assistance, and motorist assistance programs as well as planning and programming activities. The increase of 5% in FY 2026/27 compared to the FY 2025/26 budget is related to state reimbursements primarily related to the MCP projects, SR-60/Potrero Boulevard interchange phase II project, south Perris station layover facility expansion, Coachella Valley Rail, and SB 125 grade separation and transit projects. Other state reimbursements will fund Regional Early Action Plan (REAP 2.0), FSP, SAFE, and station rehabilitation and improvement projects. Federal reimbursements provide funding for the I-15 Express Lanes — Southern Extension, 91 ECOP, MCP, SR-60/Potrero Boulevard interchange phase II project, Smart Freeways, CV Rail planning and station development, and station rehabilitation and improvement projects. Local reimbursements will fund the 91 ECOP, 91, SR-79 project, Santa Ana River Trail Extension, SR-60/Potrero Boulevard interchange phase II project, I-15/Franklin Street interchange project, I-15 Bundy Canyon Road interchange, I-15 Wildomar trail interchange, continued funding for prior year approved regional arterial projects, rideshare services, and regional conservation. Reimbursement revenues vary from year to year depending on project activities and funding levels.

Based on an amended Memorandum of Understanding (MOU) with the WRCOG, the Commission receives 45.7% of TUMF revenues (as updated by the most recent Nexus study). TUMF represents fees assessed on new residential and commercial development in Western County. The Commission projects FY 2026/27 TUMF fees at $22,000,000.

Toll, Penalties, and Fees are anticipated to increase $12,864,300 or 9% percent in the FY 2026/27 budget when compared to the FY 2024/25 revised budget. The increase is due to both the SR-91 and I-15 Express Lanes exceeding expectations from a revenue perspective following increased traffic within the corridors.

FY 2025/26 marked the ninth complete fiscal year of toll operations for the RCTC 91 Express Lanes following substantial completion of the 91 Project in March 2017. Since opening and through February 2020, the RCTC 91 Express Lanes traffic and toll revenues surpassed initial 2013 financing assumptions and an updated Riverside County 91 Express Lanes Extension Investment Grade Traffic and Revenue Study approved by the Commission in December 2018. The Commission estimates FY 2026/27 toll revenues, penalties and fees of $104,870,000, a increase from the FY 2025/26 projected revenues of $103,372,400, due to the implementation of dynamic pricing. However, the FY 2026/27 increase from the FY 2025/26 budget by $10,119,000 is due to increased traffic within the corridor.

FY 2025/26 marked the fifth full year of toll operations for the 15 Express Lanes following substantial completion of the I-15 Express Lanes project and opening of the 15 Express Lanes in April 2021. For FY 2026/27, the Commission projects $55,852,000 in toll revenues, penalties and fees for the 15 Express Lanes and reflects an increase from the FY 2025/26 projected revenues of $55,227,800. The FY 2026/27 budget is an increase from the FY 2025/26 budget by $2,745,300 due largely to higher congestion within the southern corridor of the enterprise.

Other revenue of $41,470,300 includes property management generated from properties acquired in connection with various highway and rail properties, and the anticipated land sale.

The Commission anticipates a 58% increase in FY 2026/27 investment income from the FY 2025/26 budget due to higher investment yields and cash balances. The FY 2026/27 budget conservatively estimates investment income at a 3% investment yield.

Contributions in FY 2026/27 reflects an 100% decrease when compared to FY 2024/25, related to the one-time payment of the I-15 Express Lanes initial TIFIA loan which was paid off in October 2024. Specifically, FY 2024/25 Contributions resulted from a loan and accrued interest funded by Measure A and payable by the I-15 Express Lanes, as required by TIFIA, which was waived in connection with pay off of I-15 TIFIA Loan.

Transfers in of $269,173,800 primarily relate to the transfer of Transit funding (funded by LTF and STA) for general administration, planning and programming, rail operations, and rail station rehabilitation and development projects; approved interfund allocations for specific projects and administrative cost allocations; Inter-fund loan repayment by the I-15 Express Lanes to Western County Measure A funds; and debt service requirements from highway, new corridors, and TUMF Community Environmental Transportation Acceptability Process (CETAP) funds.

Total uses (Table 3), including transfers out of $269,173,800, are budgeted at $1,346,952,300 a 5% decrease from the prior year budget amount of $1,412,259,300. Program expenditures and transfers out totaling $1,208,111,100 represent 90% of total budgeted uses in FY 2026/27. Program costs increased (5)% from $1,273,193,000 in FY 2025/26 due to projects and programs identified below.

TABLE 3 – USES FY 2025-2027

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Capital Highway, Rail, and Regional Arterials	$ 343,309,800	$ 510,078,800	$ 313,993,200	$ 441,309,900	$ (68,768,900)	-13%
Capital Local Streets and Roads	84,398,000	78,891,900	84,381,300	84,292,900	5,401,000	7%
Commuter Assistance	4,870,100	8,017,600	5,790,800	11,731,000	3,713,400	46%
Debt Service	89,349,800	96,921,200	97,021,300	96,102,000	(819,200)	-1%
Management Services	22,291,400	42,145,100	36,364,000	42,739,200	594,100	1%
Motorist Assistance	5,418,800	7,648,500	5,760,400	8,506,300	857,800	11%
Planning and Programming	9,846,300	23,253,100	12,528,400	74,859,100	51,606,000	222%
Public and Specialized Transit	204,737,800	365,881,900	205,952,600	303,955,100	(61,926,800)	-17%
Rail Maintenance and Operations	44,391,800	76,111,200	50,965,000	78,339,900	2,228,700	3%
Regional Conservation	9,842,600	13,846,500	10,759,300	14,669,600	823,100	6%
Toll Operations	40,498,200	189,463,500	154,064,100	190,447,300	983,800	1%
TOTAL Uses	$ 858,954,600	$ 1,412,259,300	$ 977,580,400	$ 1,346,952,300	$ (65,307,000)	-5%

Note: Management Services includes Executive Management, Administration, External Affairs, and Finance.

Capital highway, rail, and regional arterials budgeted uses of $441,309,900 are 13% lower compared to the FY 2025/26 budget due to decreases in project activities related to the 71/91 Connector, SR-60 Truck Lanes, and Smart Freeways projects. Budget increases in project activity are attributed to the SR-79 project activities, Mid County Parkway (MCP), Western County 2009 Measure A and TUMF regional arterial projects, and rail station development and rehabilitation projects.

Local streets and roads expenditures of $84,292,900 reflect a increase of $5,401,000 over the FY 2025/26 budget and represent the disbursement of 2009 Measure A sales tax revenues to local jurisdictions for the construction, repair, and maintenance of local streets and roads.

Commuter assistance budgeted expenditures of $11,731,000 are 46% higher than the FY 2025/26 budget due to launching of a new transit trainer program and potential strategic Transportation Demand Management (TDM) Plan.

Debt service of $96,102,000 is a slight decrease but remains within the expected range from FY 2025/26 budget.

Management services expenditures of $42,739,200 increased 1% due to county-wide transportation relief planning, increases in risk and insurance management, and a funding transfer for debt service payments related to the Commission's Measure A Sales Tax debt obligation.

Motorist assistance expenditures of $8,506,300 increased 11% primarily due to anticipated general program cost increases and a Map Study.

Planning and programming budgeted expenditures of $74,859,100 increased 222% due to increased projects and operation activities in connection with partner agency related projects and capital allocations for SR-60/Potrero Boulevard interchange phase II project and Right of Way.

Public and specialized transit budgeted expenditures of $303,955,100 are 17% lower than the FY 2025/26 budget due to anticipated operating and capital allocation needs by transit operators, including SB 125 transit capital projects. The FY 2026/27 budget reflects SB 125 funding for engineering in the amount of $7,500,000, construction of $6,100,000, and right of way of $245,000 approved through an amendment to the Budget Act of 2023, which provided formula Transit and Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP) to funding agencies such as the Commission. TIRCP funds are eligible for transit operations and capital improvements as well as other grade separations. ZETCP funds are only available to public transit operators eligible to receive STA funds.

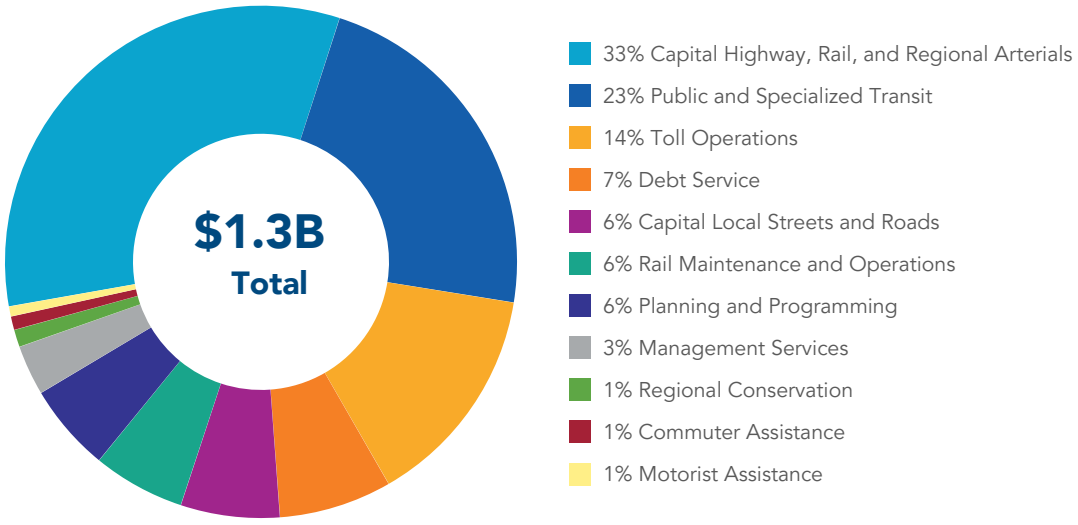
The rail maintenance and operations budgeted expenditures of $78,339,900 are 3% higher than the FY 2025/26 budget due to CV Rail service development plan (SDP), rail station security guards, maintenance and repairs, utilities, and a transfer to rail operations for the Metrolink Perris Valley line from Measure A.

Regional conservation budgeted expenditures of $14,669,600 reflects a fifth full year serving as the managing agency for the RCA. FY 2026/27 reflects an increase of $823,100 or 6% due to monitoring and management contracts. RCA will reimburse the Commission 100% of the costs incurred to manage the RCA.

Toll operations expenses are budgeted at $190,447,300 reflects a 1% increase when compared to the FY 2025/26 Budget primarily due to the following operating transfers: SR-91 Express Lanes transfers for projected surplus for FY 2025/26 and required repair and rehabilitation (R&R) funding; I-15 Express Lanes transfers for repayment of the inter-fund loan to Measure A in connection with the pay off of the TIFIA Loan. Other cost increases are related to management of operations, maintenance, and capital support of the RCTC 91 Express Lanes and 15 Express Lanes. The increase is also related to the inclusion of the 15/91 Express Lanes Connector and I-15 Express Lanes Southern Extension project from the Measure A Western County highway fund. Professional costs decreased $(1,643,100) related to a decrease in anticipated capital needs for the 91 Express Lanes pavement rehabilitation, and the 15 Express Lanes project Southern Extension. Projects and operations increased 91% due to program management, engineering, right of way, and design build expenses for the 91 ECOP, 15/91 Express Lanes Connector, 15/91 Express Transit Connector, 91 Express Lanes pavement rehabilitation, 91 Express Lanes roadway repair and rehabilitation, and 15 Express Lanes Southern Extension project. Capital outlay decreased $(612,900) for office and property improvements.

Chart 5 is an illustration of total uses included in the FY 2026/27 budget by major categories.

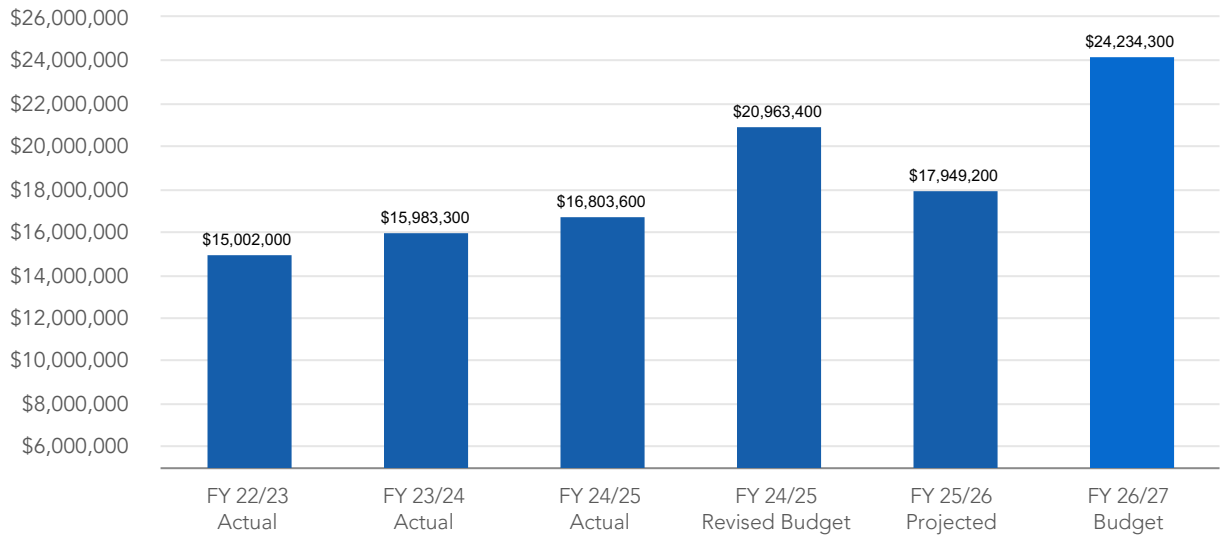
CHART 5 – USES: MAJOR CATEGORIES



COMMISSION PERSONNEL

The Commission's salaries and benefits total $24,234,300 for FY 2026/27. This represents an increase of $3,270,900 or 16% over the FY 2025/26 budget of $20,963,400 (Chart 6). The increase is reflective of a 5.0 full-time equivalent (FTE) position related to the additions of a MHSCP Compliance Manager, Roadway and Facilities Operations Manager, Senior Management Analyst Management & Monitoring, Toll Contracts and Budget Manager, and Deputy Director of Toll Operations Technology and Roadway; a 4% pool for performance merit-based salary increases; and a 3.5% annual salary range structure cost of living adjustment (COLA). The COLA only applies to the to the Commission's salary range structure and is not automatically applied to the current employees' salaries. In June 2019, the Board approved the COLA will be predicated on the percent change in the Consumer Price Index (CPI) – All Urban Wage Earners, covering Riverside, CA for the 12-month period ending December 31, rounded to the nearest half percent, with a maximum adjustment of 4%. The COLA will be equal to the CPI, but no less than 0% and no greater than 4%. The CPI for the All Urban Wage Earners, covering Riverside, CA for the 12-month period ending December 31, 2025 was 3.3%. In accordance with the Board's action, CPI was rounded up to 3.5% and applied to the Commission's salary range structure for FY 2026/27. Significant variances in prior years (Chart 6) are primarily due to reorganization of the toll program, the addition of three new positions, an increase to the Commission's contribution to employee health benefits in FY 2022/23; a 4% pool for performance merit-based salary increases; and a 3% annual salary range structure COLA in FY 2023/24; and the addition of three new FTE positions, the reclassification of four existing positions in FY 2024/25, and the addition of one new FTE and one reclassification in FY 2025/26 . The Commission's salary schedule for FY 2026/27 is included in Appendix B and complies with Government Code §20636 "Compensation Earnable" and California Code of Register §570.5, "Requirements for a Publicly Available Pay Schedule."

CHART 6 – SALARIES AND BENEFITS COST: FIVE-YEAR COMPARISON



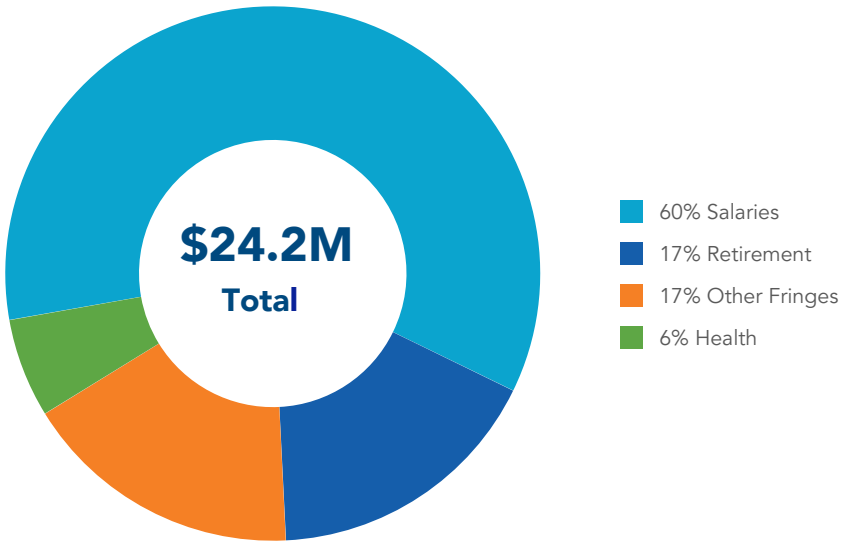
The 90 FTE positions included in the FY 2026/27 budget (Table 4) reflects an increase of five FTE for a Deputy Director of Toll Operations Technology and Roadway, MSHCP Compliance Manager, Roadway and Facilities Operations Manager, Senior Management Analyst (RC) Management & Monitoring, and Toll Contract and Budget Manager from FY 2025/26 budget. Management continues its commitment with its intent for the Commission's enabling legislation requiring a lean organization. The Commission will continue providing staff the tools needed to ensure an efficient and productive work environment. However, small should not be viewed in an absolute context; it is relative to the required tasks and the demands to be met.

TABLE 4 – FULL-TIME EQUIVALENTS BY DEPARTMENT FY 2025 - 2027

	FY 24/25 Actual	FY 25/26 Projected	FY 26/27 Budget
Executive Management	0.9	2.1	2.1
Administration	11.3	10.2	9.9
External Affairs	4.1	3.6	3.8
Finance	11.1	11.5	11.7
Planning and Programming	6.4	6.3	7.1
Rail Maintenance and Operations	4.5	4.7	4.8
Public and Specialized Transit	3.0	3.3	3.0
Commuter Assistance	1.2	1.4	1.4
Motorist Assistance	1.2	1.0	1.3
Regional Conservation	17.6	16.7	18.5
Capital Project Development and Delivery	13.7	12.1	11.0
Toll Operations	9.0	12.1	15.6
TOTAL	84.0	85.0	90.0

The Commission provides a comprehensive package of benefits to employees. The package includes health, dental, vision, life insurance, short and long-term disability, workers' compensation, tuition assistance, sick and vacation leave, retirement benefits in the form of participation in California Public Employees Retirement System (CalPERS), postretirement health care, deferred compensation, and employee assistance program. Chart 7 illustrates the compensation components.

CHART 7 – PERSONNEL SALARIES AND BENEFITS



DEPARTMENT INITIATIVES

Staff prepared each department's budget based on key assumptions, accomplishments in FY 2025/26, major initiatives for FY 2026/27, and department goals and related objectives. Tables 5 through 16 present the key initiatives and summary of expenditures/expenses for each department. The department budgets section contains detailed discussions about each department.

EXECUTIVE MANAGEMENT

- Continue project development and delivery as the key Measure A priority.
- Foster growth in usage of express lanes and ensure their optimal financial performance.
- Continue planning efforts to advance passenger rail service in the CV Rail corridor.
- Advocate for state and federal investments in transportation to fund needed transportation priorities in the County and stimulate the local economy.
- Maintain regional cooperation and collaboration as a significant effort consistent with the philosophy and mission of the Commission.
- Support a comprehensive digital, in-person, and community-based public outreach program to build awareness of the Commission and its role in the community.
- Maintain an effective mid-sized transportation agency with dedicated staff.

TABLE 5 – EXECUTIVE MANAGEMENT

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 629,300	$ 690,800	$ 767,200	$ 736,600	$ 45,800	7%
Professional	111,300	3,220,000	1,705,000	3,585,000	365,000	11%
Support	70,500	637,600	582,100	254,400	(383,200)	-60%
TOTAL	$ 811,100	$ 4,548,400	$ 3,054,300	$ 4,576,000	$ 27,600	1%

ADMINISTRATION

- Provide high quality support services to the Commission and to internal and external customers.
- Maintain an accurate and efficient electronic records management system.
- Provide timely communications and high-quality support services to Commissioners.
- Update technology to improve internal processes and interaction with the public.
- Support and develop a motivated workforce with a framework of activities and practices that comply with employment laws and regulations.
- Manage a centralized procurements process in order to strengthen controls and ensure consistency in the application of procurement policies and procedures and adherence to applicable laws and regulations.
- Support outreach activities to encourage disadvantaged business enterprise (DBE) and small business enterprise (SBE) participation in various contracts.

TABLE 6 – ADMINISTRATION

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 1,884,500	$ 1,990,300	$ 1,762,100	$ 2,224,500	$ 234,200	12%
Professional	1,270,600	2,310,000	2,105,000	2,541,500	231,500	10%
Support	2,887,200	4,065,800	3,527,300	4,413,200	347,400	9%
Capital Outlay	815,700	1,300,000	665,000	1,015,000	(285,000)	-22%
TOTAL	$ 6,858,000	$ 9,666,100	$ 8,059,400	$ 10,194,200	$ 528,100	5%

EXTERNAL AFFAIRS

- Develop effective partnerships with transportation providers and community stakeholders to communicate a unified message to Congress, State Legislature, and to other state and federal officials regarding mobility and transportation funding needs.
- Advocate on behalf of Riverside County's interests and local authority associated with the planning, programming, and delivery of transportation improvements, especially as it relates to the State's continued incorporation of competing priorities, ranging from climate goals to housing goals, into transportation policies and funding programs.
- Advocate policy positions in the State Legislature and in Congress that advance the County's transportation interests.
- Continue a leadership role in formulating a countywide direction on federal and state transportation policies.
- Use latest platforms to support a robust public communication and engagement effort focusing on accessible and transparent communication of the Commission's projects and programs.
- Engage with and seek understanding of the Riverside County's community-based stakeholders to build trust and gain support to inform the decision-making process.
- Build awareness and support for the RCA and the implementation of the MSHCP.

TABLE 7 – EXTERNAL AFFAIRS

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 996,300	$ 850,800	$ 934,000	$ 922,500	$ 71,700	8%
Professional	555,500	976,300	660,500	992,100	15,800	2%
Support	72,000	307,800	97,900	296,600	(11,200)	-4%
TOTAL	$ 1,623,800	$ 2,134,900	$ 1,692,400	$ 2,211,200	$ 76,300	4%

FINANCE

- Proactively monitor, assess, manage, and minimize financial impacts on the Commission's programs and projects to the maximum extent possible.
- Continue appropriate uses of long- and short-term financing to advance the Commission's 2009 Measure A projects.
- Provide support to the RCTC 91 Express Lanes and 15 Express Lanes toll operations contractor back offices to ensure the proper accounting of toll revenues and operations and maintenance costs.
- Keep abreast of Governmental Accounting Standards Board (GASB) technical activities affecting the Commission's accounting and financial reporting activities and implement new pronouncements.
- Upgrade the Enterprise Resource Planning (ERP) system to benefit all staff in the management of accounting and project information to facilitate automation of a paperless workflow system.

- Continue software implementations and updates that enhance process improvements and streamline efficiencies.
- Protect the Commission's cash resources by regular monitoring of short and long-term investment practices to ensure consistency with Commission approved investment policy.

TABLE 8 – FINANCE

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 1,743,400	$ 2,400,500	$ 2,082,200	$ 2,593,400	$ 192,900	8%
Professional	827,800	1,739,300	965,000	1,546,500	(192,800)	-11%
Support	350,300	530,700	414,500	513,200	(17,500)	-3%
Capital Outlay	48,700	1,055,000	80,000	1,075,000	20,000	2%
Transfers Out	10,028,300	20,070,200	20,016,200	20,029,700	(40,500)	0%
TOTAL	$ 12,998,500	$ 25,795,700	$ 23,557,900	$ 25,757,800	$ (37,900)	0%

PLANNING AND PROGRAMMING

- Monitor funding authority and responsibility related to the State Transportation Improvement Program (STIP).
- Ensure administration and implementation of STIP/Regional Improvement Program (RIP), Active Transportation Program (ATP), Community Project Funding/Congressionally Directed Spending Program and other funded projects consistent with CTC, Caltrans, and Southern California Association of Governments (SCAG) policies.
- Continue to strategically program projects for all local agencies countywide into the Federal Transportation Improvement Program (FTIP) and obligate funds in an expeditious manner for the maximum use of all available funding, including monitoring the use of such funding to prevent from lapsing.
- Monitor all projects programmed to receive 2009 Measure A, TUMF, state, and federal funds to ensure timely delivery and prevent funds from lapsing.
- Focus on interregional concerns and maintain effective working relationships involving various multi-county transportation issues.
- Coordinate planning efforts with regional and local agencies relating to the development of Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and greenhouse gas (GHG) reduction implementation guidelines.
- Administer the Bicycle and Pedestrian Facilities Program (SB 821).
- Monitor and track local, state, and federal funding sources in a customized database system including assisting in the administration of 2009 Measure A local streets and roads, Measure A Regional Arterials (MARA), TUMF Regional Arterials, and LTF SB 821 programs.

TABLE 9 – PLANNING AND PROGRAMMING

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 1,045,900	$ 1,706,800	$ 1,144,800	$ 1,941,300	$ 234,500	14%
Professional	213,800	143,000	134,100	334,800	191,800	134%
Support	46,600	66,900	48,000	87,700	20,800	31%
Projects and Operations	7,112,400	18,839,200	9,446,900	70,143,400	51,304,200	272%
Capital Outlay	23,900	23,000	30,000	60,000	37,000	161%
Transfers Out	1,403,700	2,474,200	1,724,600	2,291,900	(182,300)	-7%
TOTAL	$ 9,846,300	$ 23,253,100	$ 12,528,400	$ 74,859,100	$ 51,606,000	222%

RAIL MAINTENANCE AND OPERATIONS

- As a member of the SCRRA, continue active participation in the governance and operations of the Metrolink commuter rail system.
- Continue the planning and implementation of capital improvements at the commuter rail stations in the County, including security and rehabilitation projects and meeting parking requirements.
- Continue to support and evaluate activities related to the PVL service, such as promoting ridership especially for weekend service.
- Establish the best approach to build, maintain, and operate cost effective and environmentally sustainable facilities that meet the public's transportation needs.
- Lead the service development process and actively coordinate with all stakeholders along the CV Rail corridor for intercity passenger rail service.
- Advance the next generation rail feasibility study to evaluate future growth opportunities for passenger rail in the County.

TABLE 10 – RAIL MAINTENANCE AND OPERATIONS

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 876,000	$ 1,244,600	$ 769,800	$ 1,290,300	$ 45,700	4%
Professional	418,300	6,123,500	1,614,500	6,191,000	67,500	1%
Support	3,048,800	3,738,800	2,747,800	3,230,800	(508,000)	-14%
Projects and Operations	39,447,900	60,064,500	41,904,800	61,687,700	1,623,200	3%
Capital Outlay	–	10,000	–	–	(10,000)	-100%
Transfers Out	600,800	4,929,800	3,928,100	5,940,100	1,010,300	20%
TOTAL	$ 44,391,800	$ 76,111,200	$ 50,965,000	$ 78,339,900	$ 2,228,700	3%

PUBLIC AND SPECIALIZED TRANSIT

- Coordinate the operation of all public transportation services, especially for disadvantaged communities and essential workers, within the County by promoting program efficiency between transit operators.
- Monitor and coordinate state and federal apportionment and regulations for operating and/or capital impacts with transit operators.
- Continue public transit operator oversight and fiduciary responsibilities to ensure completion of annual fiscal audits and state triennial performance audits in accordance with TDA regulations.
- Support innovative programs that provide transit assistance in hard to serve rural areas or for riders having very special transit needs and monitor funding of these programs.
- Continue long-range planning activities to ensure that anticipated revenues are in line with projected levels of service by transit operators.

TABLE 11 – PUBLIC AND SPECIALIZED TRANSIT

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 687,100	$ 779,100	$ 704,900	$ 832,600	$ 53,500	7%
Professional	283,900	1,482,600	367,200	404,200	(1,078,400)	-73%
Support	156,200	245,500	167,700	230,100	(15,400)	-6%
Projects and Operations	158,706,800	300,620,400	176,983,300	231,764,700	(68,855,700)	-23%
Capital Outlay	53,700	217,200	65,000	100,600	(116,600)	-54%
Transfers Out	44,850,100	62,537,100	27,664,500	70,622,900	8,085,800	13%
TOTAL	$ 204,737,800	$ 365,881,900	$ 205,952,600	$ 303,955,100	$ (61,926,800)	-17%

COMMUTER ASSISTANCE

- Operate a comprehensive regional CAP promoting sustainable commuting options to reduce single-occupant vehicle (SOV) use, vehicle trips, vehicle miles traveled (VMT), and emissions.
- Administer and grow the IE Commuter Program, in partnership with San Bernardino County Transportation Authority (SBCTA), to deliver rideshare services to Riverside and San Bernardino residents and regional employers.
- Operate and expand the VanClub program to subsidize vanpools, enhancing accessibility and affordability for both traditional work commuters and agricultural workers commuting to Riverside County worksites.
- Administer a Low Carbon Transit Operations Program (LCTOP) funded program offering free Metrolink passes for Riverside and San Bernardino residents to "Experience Metrolink" for both work and discretionary trips.
- Pilot a Transit Training Program concept designed to assist new or inexperienced public transit users by pairing them with seasoned commuters at a worksite (i.e., coworkers) or providing consultant led ride-a-longs for discretionary trips.
- Explore options to assess CAP and develop a strategic TDM plan that will serve as a blueprint for a next generation TDM program and inform the next procurement for CAP consultant services.
- Administer the leased Park & Ride program to support CAP initiatives, providing convenient, multi-modal parking options that connect commuters to carpools, vanpools, and transit networks.

TABLE 12 – COMMUTER ASSISTANCE

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 309,500	$ 338,600	$ 362,400	$ 381,100	$ 42,500	13%
Professional	123,900	1,097,700	115,700	1,415,300	317,600	29%
Support	11,400	105,100	31,500	113,400	8,300	8%
Projects and Operations	4,187,900	6,106,100	4,947,800	6,557,300	451,200	7%
Capital Outlay	–	10,000	–	10,000	–	–%
Transfers Out	237,400	360,100	333,400	3,253,900	2,893,800	804%
TOTAL	$ 4,870,100	$ 8,017,600	$ 5,790,800	$ 11,731,000	$ 3,713,400	46%

MOTORIST ASSISTANCE

- Operate a cost-effective Freeway Service Patrol program to assist stranded or disabled motorists on Riverside County's most congested highways, improving traffic flow and safety.
- Provide 24/7 access to real-time traffic updates, transportation resources, and services through the SoCal 511 regional traveler information platform in partnership with Los Angeles Metropolitan Authority (Metro), Orange County Transportation Authority (OCTA), SBCTA, and Ventura County Transportation Commission (VCTC).
- Operate TDM programs and services in eastern Riverside County via the CAP, ensuring consistent and equitable service countywide.
- Conduct a forward-looking motorist aid study to explore innovative technologies and solutions that address current challenges and future needs.

TABLE 13 – MOTORIST ASSISTANCE

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 162,400	$ 191,900	$ 173,800	$ 294,600	$ 102,700	54%
Professional	178,900	456,700	262,800	843,500	386,800	85%
Support	104,600	196,500	45,300	260,500	64,000	33%
Projects and Operations	4,604,800	6,120,800	4,815,700	6,290,800	170,000	3%
Capital Outlay	6,400	10,000	–	10,000	–	0%
Transfers Out	361,700	672,600	462,800	806,900	134,300	20%
TOTAL	$ 5,418,800	$ 7,648,500	$ 5,760,400	$ 8,506,300	$ 857,800	11%

REGIONAL CONSERVATION

- Maintain commitment to protecting sensitive habitat and ensuring open space is a key component in enhancing the quality of life for local residents.
- Enhance communications to stakeholders, members of the public, and elected officials to be transparent about the RCA's conservation efforts, funding, and collaboration opportunities.
- Build upon relationships with local, tribal, state, and federal agencies to acquire and manage lands purchased or controlled by the RCA.

TABLE 14 – REGIONAL CONSERVATION

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 3,128,000	$ 3,825,300	$ 3,099,600	$ 4,779,300	$ 954,000	25%
Professional	3,792,000	5,282,300	4,306,500	5,058,400	(223,900)	-4%
Support	467,200	712,000	594,400	829,800	117,800	17%
Projects and Operations	354,400	858,400	398,400	487,000	(371,400)	-43%
Capital Outlay	–	5,000	–	5,000	–	0%
Transfers Out	2,101,000	3,163,500	2,360,400	3,510,100	346,600	11%
TOTAL	$ 9,842,600	$ 13,846,500	$ 10,759,300	$ 14,669,600	$ 823,100	6%

CAPITAL PROJECT DEVELOPMENT AND DELIVERY

- Continue 71/91 connector, SR-79 realignment, MCP, Smart Freeway projects, Perris Valley Line station layover facility, and rail station rehabilitation and improvements. Including projects on behalf of other agencies, including the I-15/Franklin Interchange, I-10/Highland Springs Road Interchange, SR-60/Potrero Boulevard Interchange Phase II, and I-15/Wildomar Trail and Bundy Canyon Interchanges projects.
- Procure an environmental consultant to commence pre-NEPA station feasibility study document for the Coachella Valley Rail corridor project.
- Commence construction of the South Perris Station Expansion and MCP 3 projects.
- Complete design of the Perris Valley Line Double Track project.
- Continue design and development led by other agencies related to the I-15 Express Lanes—Northern Extension.
- Provide 2009 Measure A funding to the incorporated cities and the County for local streets and roads maintenance, repair, and construction and to CVAG for highways and regional arterials.
- Provide TUMF regional arterial funding and support to local jurisdictions for regional arterial project engineering, right of way acquisition, and construction.
- Maintain a right of way acquisition and management program in support of capital projects and in the most cost-effective manner within project schedules, while adhering to federal and state regulations.
- Maintain and manage the access, use, safety, and security of Commission-owned properties including commuter rail stations, properties in acquisition process, and income-generating properties.
- Develop strategies to implement alternative financing structures including public express lanes.

TABLE 15 – CAPITAL PROJECT DEVELOPMENT AND DELIVERY

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 3,189,200	$ 3,330,900	$ 2,912,600	$ 3,297,600	$ (33,300)	-1%
Professional	3,403,700	3,614,200	1,090,200	3,856,400	242,200	7%
Support	361,600	1,675,700	598,100	1,563,500	(112,200)	-7%
Projects and Operations	286,726,100	480,832,200	281,798,700	409,417,600	(71,414,600)	-15%
Capital Outlay	7,461,500	3,975,000	1,865,000	3,400,000	(575,000)	-14%
Debt Service	69,158,300	69,185,200	69,185,300	69,191,000	5,800	0%
Transfers Out	126,565,700	95,542,700	110,109,900	104,067,700	8,525,000	9%
TOTAL	$ 496,866,100	$ 658,155,900	$ 467,559,800	$ 594,793,800	$ (63,362,100)	-10%

TOLL OPERATIONS

- Continue project work on the 91 ECOP, I-15 Express Lanes—Southern Extension, 15/91 Express Lanes Connector, 15/91 Express Lanes Transit Connector, 91 Express Lanes eastbound lane to McKinley Avenue.
- Manage the operations of the RCTC 91 Express Lanes and 15 Express Lanes adhering to the Commission's Express Lanes toll policies.
- Manage toll operations in an effective manner which provides superior customer service while achieving projected revenue and cost assumptions used in the financial plans specific to each express lane facility.
- Maintain the Express Lanes to provide a safe and pleasant experience to customers.
- Develop a long-term repair and rehabilitation plan for the express lanes and its operating systems.
- Provide timely and effective reporting of toll operation metrics including revenue, transactions, carpool usage, and performance indicators.
- Support the design and development led by other agencies related to the 241/91 Express Lanes connector and I-15 Express Lanes—Northern Extension.

TABLE 16 – TOLL OPERATIONS

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Personnel	$ 2,152,000	$ 3,613,800	$ 3,235,800	$ 4,940,500	$ 1,326,700	37%
Professional	2,045,200	8,292,600	5,451,400	6,649,500	(1,643,100)	-20%
Support and Maintenance	8,790,500	11,503,400	10,534,300	12,176,800	673,400	6%
Projects and Operations	24,084,700	56,119,300	30,445,300	107,321,900	51,202,600	91%
Capital Outlay	212,600	1,320,900	597,000	708,000	(612,900)	-46%
Debt Service	20,191,500	27,736,000	27,836,000	26,911,000	(825,000)	-3%
Transfers Out	3,213,200	108,613,500	103,800,300	58,650,600	(49,962,900)	-46%
TOTAL	$ 60,689,700	$ 217,199,500	$ 181,900,100	$ 217,358,300	$ 158,800	0%

FUND BALANCES

The projected total fund balance as of June 30, 2026 is $2,170,070,900. The available amount for expenditures/ expenses (excluding amounts restricted for debt service of $15,523,800 and advances receivable of $11,067,672) is $2,143,479,328. After revenues of $1,054,002,000, total funding available for the FY 2026/27 budget totals $3,197,481,328. The Commission expects the FY 2026/27 budgeted activities to result in a $23,776,500 decrease of total fund balance at June 30, 2027 to $2,146,294,400. The primary cause of the decrease are project activities in FY 2026/27 related to the I-15 Express Lanes — Southern Extension, 91 eastbound COP, MCP, SR-79 projects, Smart Freeways, Coachella Valley Rail corridor, rail station rehabilitation and maintenance, Western County Measure A and TUMF regional arterial projects, and public transit allocations. Table 17 presents the components of the projected fund balance by program at June 30, 2027.

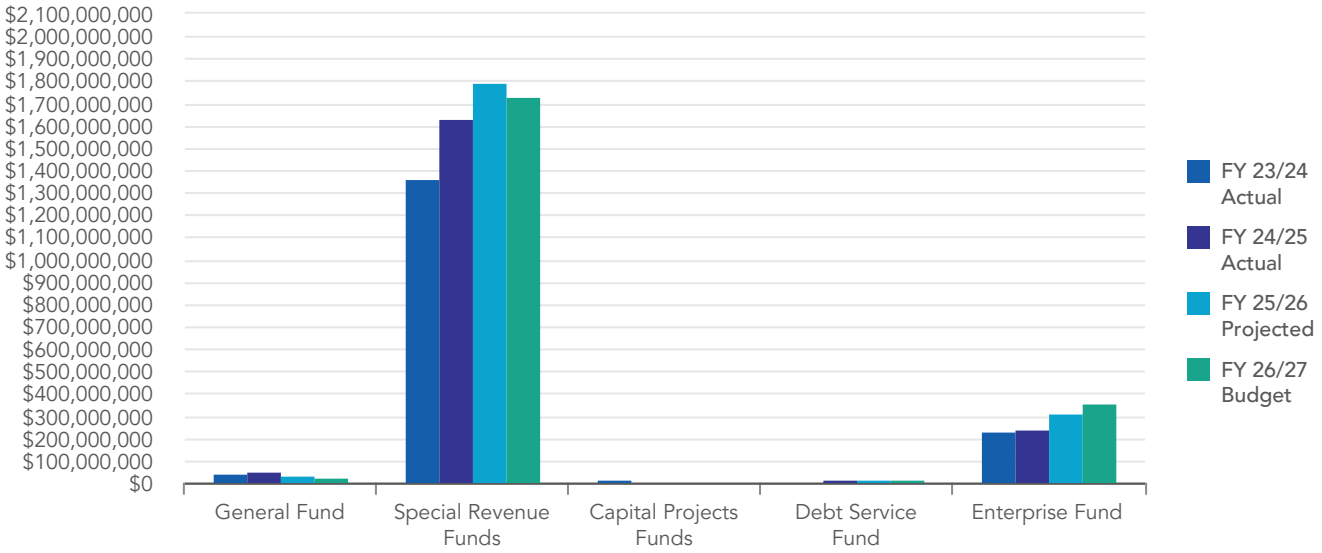
TABLE 17 – PROJECTED FUND BALANCES BY FUND TYPE AND PROGRAM AT JUNE 30, 2027

	Measure A Sales Tax				
	Western County	Coachella Valley	Palo Verde	Other	Total
Restricted:					
Bond Financing	$ 92,677,100	$ –	$ –	$ –	$ 92,677,100
Commuter Assistance	26,587,500	–	–	1,778,400	28,365,900
Debt Service	–	–	–	16,067,200	16,067,200
Economic Development	25,712,300	–	–	–	25,712,300
Highways	142,158,800	100	–	12,413,700	154,572,600
New Corridors	123,183,500	–	–	–	123,183,500
Planning and Programming	–	–	–	9,678,200	9,678,200
Public and Specialized Transit	31,642,200	2,326,700	–	828,898,900	862,867,800
Rail	59,488,000	–	–	16,507,500	75,995,500
CETAP	–	–	–	154,948,900	154,948,900
Regional Conservation	–	–	–	94,800	94,800
Regional Arterials	110,697,600	–	–	116,310,100	227,007,700
Motorist Assistance	–	–	–	13,839,200	13,839,200
Toll Operations	–	–	–	358,487,500	358,487,500
Assigned:					
Management Services	–	–	–	2,796,200	2,796,200
TOTAL Fund Balance[1]	$ 612,147,000	$ 2,326,800	$ –	$ 1,531,820,600	$ 2,146,294,400

[1]Fund balance includes primarily current assets less current liabilities. Restricted fund balance may include limitations imposed by creditors (debt covenants, reserves), contributions, laws or regulations of other governments, and constraints imposed by law through constitutional provisions or through enabling legislation (TDA, SB 132, SB 125, FSP, SAFE, Toll Operations).

Chart 8 illustrates the actual and projected trends in fund balances for each governmental and enterprise fund type from FY 2023/24 through FY 2026/27.

CHART 8 – PROJECTED FUND BALANCE TRENDS BY FUND TYPE FY 2024 - 2027



BUDGET SUMMARY

The overall budget for FY 2026/27 is presented in Table 18 by summarized line items, Table 19 by operating and capital classifications, and Table 20 by fund type. Highway, regional arterial, rail, and regional conservation program projects expenditures are summarized in Table 21.

TABLE 18 – BUDGET COMPARATIVE BY SUMMARIZED LINE ITEM FY 2025 - 2027

	FY 24/25 Actual	FY 25/26 Revised Budget	FY 25/26 Projected	FY 26/27 Budget	Dollar Change	Percent Change
Revenues						
Measure A Sales Tax	$ 280,039,500	$ 280,000,000	$ 280,000,000	$ 280,000,000	$ –	0%
LTF Sales Tax	154,335,600	150,000,000	150,000,000	150,000,000	–	0%
STA Sales Tax	33,920,900	33,936,200	34,245,600	31,499,900	(2,436,300)	-7%
Federal Reimbursements	48,074,100	82,643,100	44,363,600	131,119,300	48,476,200	59%
State Reimbursements	258,471,600	116,380,100	104,634,600	70,285,000	(46,095,100)	-40%
Local Reimbursements	28,809,500	86,168,200	51,972,900	96,703,400	10,535,200	12%
TUMF Revenue	34,609,300	22,000,000	22,000,000	22,000,000	–	0%
Tolls, Penalties, and Fees	157,703,600	147,857,700	158,600,200	160,722,000	12,864,300	9%
Other Revenue	7,920,000	5,746,700	1,373,200	41,470,300	35,723,600	622%
Investment Income	94,366,800	44,392,100	69,452,900	70,202,100	25,810,000	58%
TOTAL Revenues	1,098,250,900	969,124,100	916,643,000	1,054,002,000	84,877,900	9%
Expenditures/Expenses						
Personnel Salaries and Benefits	16,803,600	20,963,400	17,949,200	24,234,300	3,270,900	16%
Professional and Support						
Professional Services	13,224,800	34,738,200	18,777,900	33,418,200	(1,320,000)	-4%
Support Costs	16,366,700	23,785,800	19,388,900	23,970,000	184,200	1%
TOTAL Professional and Support Costs	29,591,500	58,524,000	38,166,800	57,388,200	(1,135,800)	-2%
Projects and Operations						
Program Operations	45,418,600	54,302,900	41,641,700	50,495,400	(3,807,500)	-7%
Engineering	12,872,600	71,430,700	26,156,900	59,415,000	(12,015,700)	-17%
Construction	91,200,700	296,610,600	95,525,200	221,261,800	(75,348,800)	-25%
Design Build	7,380,700	16,519,100	6,501,000	66,163,800	49,644,700	301%
Right of Way/Land	17,346,500	65,726,500	30,056,400	116,245,300	50,518,800	77%
Operating and Capital Disbursements	195,322,700	278,980,900	209,369,500	264,823,200	(14,157,700)	-5%
Special Studies	4,418,100	7,098,300	8,859,500	3,076,000	(4,022,300)	-57%
Local Streets and Roads	84,398,000	78,891,900	84,381,300	84,292,900	5,401,000	7%
Regional Arterials	66,867,000	60,000,000	48,249,400	27,897,000	(32,103,000)	-54%
TOTAL Projects and Operations	525,224,900	929,560,900	550,740,900	893,670,400	(35,890,500)	-4%
Debt Service						
Principal Payments	34,210,000	40,690,000	40,690,000	42,185,000	1,495,000	4%
Interest Payments	55,139,800	56,231,200	56,331,300	53,917,000	(2,314,200)	-4%
TOTAL Debt Service	89,349,800	96,921,200	97,021,300	96,102,000	(819,200)	-1%
Capital Outlay	8,622,500	7,926,100	3,302,000	6,383,600	(1,542,500)	-19%
TOTAL Expenditures/Expenses	669,592,300	1,113,895,600	707,180,200	1,077,778,500	(36,117,100)	-3%
Excess (deficiency) of Revenues over (under) Expenditures/Expenses	428,658,600	(144,771,500)	209,462,800	(23,776,500)	120,995,000	-84%
Other Financing Sources (Uses)						
Transfers In	185,862,000	298,363,700	270,400,200	269,173,800	(29,189,900)	-10%
Transfers Out	(189,362,000)	(298,363,700)	(270,400,200)	(269,173,800)	29,189,900	-10%
Contribution	11,727,300	–	–	–	–	–%
Net Financing Sources (Uses)	8,227,300	–	–	–	–	–%
Excess (deficiency) of Revenues over (under) Expenditures/Expenses and Other Financing Sources (Uses)	436,885,900	(144,771,500)	209,462,800	(23,776,500)	120,995,000	-84%
Beginning Fund Balance	1,523,722,200	1,960,608,100	1,960,608,100	2,170,070,900	209,462,800	11%
ENDING FUND BALANCE	$ 1,960,608,100	$ 1,815,836,600	$ 2,170,070,900	$ 2,146,294,400	$ 330,457,800	18%

TABLE 19 – OPERATING AND CAPITAL BUDGET FY 2026/27

	FY 26/27 Operating Budget	FY 26/27 Capital Budget	FY 26/27 TOTAL Budget
Revenues			
Measure A Sales Tax	$ 38,608,000	$ 241,392,000	$ 280,000,000
LTF Sales Tax	150,000,000	–	150,000,000
STA Sales Tax	31,499,900	–	31,499,900
Federal Reimbursements	28,414,600	102,704,700	131,119,300
State Reimbursements	27,406,000	42,879,000	70,285,000
Local Reimbursements	66,011,100	30,692,300	96,703,400
TUMF Revenue	–	22,000,000	22,000,000
Tolls, Penalties, and Fees	–	160,722,000	160,722,000
Other Revenue	654,900	40,815,400	41,470,300
Investment Income	36,285,300	33,916,800	70,202,100
TOTAL Revenues	378,879,800	675,122,200	1,054,002,000
Expenditures/Expenses			
Personnel Salaries and Benefits	15,996,200	8,238,100	24,234,300
Professional and Support			
Professional Services	22,912,300	10,505,900	33,418,200
Support Costs	10,229,700	13,740,300	23,970,000
TOTAL Professional and Support Costs	33,142,000	24,246,200	57,388,200
Projects and Operations			
Program Operations	19,202,800	31,292,600	50,495,400
Engineering	23,196,000	36,219,000	59,415,000
Construction	40,630,900	180,630,900	221,261,800
Design Build	–	66,163,800	66,163,800
Right of Way and Land	27,211,000	89,034,300	116,245,300
Operating and Capital Disbursements	264,823,200	–	264,823,200
Special Studies	1,867,000	1,209,000	3,076,000
Local Streets and Roads	–	84,292,900	84,292,900
Regional Arterials	–	27,897,000	27,897,000
TOTAL Projects and Operations	376,930,900	516,739,500	893,670,400
Debt Service			
Principal Payments	–	42,185,000	42,185,000
Interest Payments	–	53,917,000	53,917,000
TOTAL Debt Service	–	96,102,000	96,102,000
Capital Outlay	2,275,600	4,108,000	6,383,600
TOTAL Expenditures/Expenses	428,344,700	649,433,800	1,077,778,500
Excess (deficiency) of Revenues over (under) Expenditures/Expenses	(49,464,900)	25,688,400	(23,776,500)
Other Financing Sources (Uses)			
Transfers In	89,649,600	179,524,200	269,173,800
Transfers Out	(106,455,500)	(162,718,300)	(269,173,800)
Net Financing Sources (Uses)	(16,805,900)	16,805,900	–
Excess (deficiency) of Revenues over (under) Expenditures/Expenses and Other Financing Sources (Uses)	(66,270,800)	42,494,300	(23,776,500)
Beginning Fund Balance	1,268,948,300	901,122,600	2,170,070,900
ENDING FUND BALANCE	$ 1,202,677,500	$ 943,616,900	$ 2,146,294,400

TABLE 20 – BUDGET BY FUND TYPE FY 2026/27

	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise	TOTAL Budget
Revenues						
Measure A Sales Tax	$ –	$ 280,000,000	$ –	$ –	$ –	$ 280,000,000
LTF Sales Tax	–	150,000,000	–	–	–	150,000,000
STA Sales Tax	–	31,499,900	–	–	–	31,499,900
Federal Reimbursements	10,000,000	66,205,800	–	2,812,200	52,101,300	131,119,300
State Reimbursements	898,900	69,386,100	–	–	–	70,285,000
Local Reimbursements	–	89,592,400	–	–	7,111,000	96,703,400
TUMF Revenue	–	22,000,000	–	–	–	22,000,000
Tolls, Penalties, and Fees	–	–	–	–	160,722,000	160,722,000
Other Revenue	–	41,361,900	–	–	108,400	41,470,300
Investment Income	1,085,000	60,619,000	419,900	543,400	7,534,800	70,202,100
TOTAL Revenues	11,983,900	810,665,100	419,900	3,355,600	227,577,500	1,054,002,000
Expenditures/Expenses						
Personnel Salaries and Benefits	9,092,200	10,201,600	–	–	4,940,500	24,234,300
Professional and Support						
Professional Services	9,914,300	16,854,400	–	–	6,649,500	33,418,200
Support Costs	5,827,600	5,965,600	–	–	12,176,800	23,970,000
TOTAL Professional and Support Costs	15,741,900	22,820,000	–	–	18,826,300	57,388,200
Projects and Operations						
Program Operations	–	28,722,800	–	–	21,772,600	50,495,400
Engineering	–	52,489,000	–	–	6,926,000	59,415,000
Construction	–	216,069,300	–	–	5,192,500	221,261,800
Design Build	–	270,000	–	–	65,893,800	66,163,800
Right of Way/Land	–	108,738,300	–	–	7,507,000	116,245,300
Operating and Capital Disbursements	46,987,500	217,835,700	–	–	–	264,823,200
Special Studies	1,867,000	1,179,000	–	–	30,000	3,076,000
Local Streets and Roads	–	84,292,900	–	–	–	84,292,900
Regional Arterials	–	27,897,000	–	–	–	27,897,000
TOTAL Projects and Operations	48,854,500	737,494,000	–	–	107,321,900	893,670,400
Debt Service						
Principal Payments	–	–	–	37,475,000	4,710,000	42,185,000
Interest Payments	–	–	–	31,716,000	22,201,000	53,917,000
TOTAL Debt Service	–	–	–	69,191,000	26,911,000	96,102,000
Capital Outlay	2,250,600	3,425,000	–	–	708,000	6,383,600
TOTAL Expenditures/Expenses	75,939,200	773,940,600	–	69,191,000	158,707,700	1,077,778,500
Excess (deficiency) of Revenues over (under) Expenditures/ Expenses	(63,955,300)	36,724,500	419,900	(65,835,400)	68,869,800	(23,776,500)
Other Financing Sources (Uses)						
Transfers In	58,770,500	103,196,700	3,012,700	69,191,000	35,002,900	269,173,800
Transfers Out	(4,287,700)	(200,410,600)	(3,012,700)	(2,812,200)	(58,650,600)	(269,173,800)
Net Financing Sources (Uses)	54,482,800	(97,213,900)	–	66,378,800	(23,647,700)	–
Excess (deficiency) of Revenues over (under) Expenditures/ Expenses and Other Financing Sources (Uses)	(9,472,500)	(60,489,400)	419,900	543,400	45,222,100	(23,776,500)
Beginning Fund Balance	36,749,400	1,792,538,200	11,994,000	15,523,900	313,265,400	2,170,070,900
ENDING FUND BALANCE	$ 27,276,900	$ 1,732,048,800	$ 12,413,900	$ 16,067,300	$ 358,487,500	$ 2,146,294,400

TABLE 21 – HIGHWAY, REGIONAL ARTERIAL, RAIL, AND REGIONAL CONSERVATION PROGRAM PROJECTS FY 2026/27

Description	
HIGHWAY ENGINEERING	
91 Pavement Rehabilitation	$ 2,550,000
I-10 Pass Express Lanes	1,865,000
I-10/SR 79 - Realignment Study	1,240,000
I-10 Ramp Metering	384,000
I-15/Franklin St. Interchange	1,566,000
I-10 Highland Springs Ave Interchange	360,000
91 Third Express Lane	1,333,000
15/91 Express Lanes Transit Connector	2,750,000
Santa Ana Trail - SR71 to Eastvale	960,000
Santa Ana Trail - West of SR71	182,000
71/91 Habitat Mitigation and Monitoring	300,000
91 Eastbound COP	43,000
I-15 Express Lanes — Southern Extension	250,000
I-15 Bundy Canyon Road Interchange	1,040,000
MCP	30,000
MCP Construction Package	842,000
SR-74 Corridor — Ethanac Road	128,800
SR-79 Realignment	30,000
SR-79 Segment 3 Realignment	5,537,000
SR-60 Trust Lanes Habitat Mitigation	30,000
Beaumont Potrero Interchange Phase II	16,000
I-15 Wildomar Trail Interchange	82,000
SUBTOTAL HIGHWAY ENGINEERING	21,518,800
REGIONAL ARTERIAL ENGINEERING	
Various Western County Measure A regional arterial (MARA) and TUMF regional arterial projects	12,077,000
SUBTOTAL REGIONAL ARTERIAL ENGINEERING	12,077,000
RAIL ENGINEERING	
Coachella Valley Rail Corridor — Tier II	10,250,000
Perris Valley Line Double Track	2,244,900
Perris Valley Line Layover Facility	265,100
Perris — Mead Valley Station	3,825,000
Riverside Downtown Station Grade Crossing	109,200
I-215/Rail ROW Barrier Wall	875,000
PVL Drainage Project Study Report	750,000
SUBTOTAL RAIL ENGINEERING	18,319,200
PUBLIC AND SPECIALIZED TRANSIT	
SB 125 Formula Funds	7,500,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, RAIL, AND PUBLIC AND SPECIALIZED TRANSIT ENGINEERING	**$ 59,415,000**
HIGHWAY CONSTRUCTION	
15 Express Lanes	53,100
15 East Lane R&R	300,000
71/91 Connector	117,000
91 East Lane Roadway R&R (details presented in Section 3.4 Toll Operations)	639,400
Santa Ana Trail - SR71 to Eastvale	1,120,000
Santa Ana Trail - West of SR 71	3,980,500
I-15/Franklin St. Interchange	100,000
I-15 Express Lanes — Southern Extension	4,200,000
MCP construction package	70,727,000
Beaumont Potrero Interchange Phase II	29,330,400
SR-79 Segment 3 Realignment	100,000

TABLE 21 – HIGHWAY, REGIONAL ARTERIAL, RAIL, AND REGIONAL CONSERVATION PROGRAM PROJECTS FY 2026/27 (continued)

Description	
Smart Freeways	2,535,000
General *(details presented in Section 3.3 Capital Projects)*	156,600
SUBTOTAL HIGHWAY CONSTRUCTION	113,359,000
REGIONAL ARTERIAL CONSTRUCTION	
Various Western County MARA and TUMF regional arterial projects	66,683,300
SUBTOTAL REGIONAL ARTERIAL CONSTRUCTION	66,683,300
RAIL CONSTRUCTION	
Perris Valley Line Double Track	8,375,000
Perris Valley Line Station Layover Facility	24,042,000
Riverside Downtown Station Grade Crossing	2,602,500
Mead Valley Station	100,000
SUBTOTAL RAIL CONSTRUCTION	35,119,500
PUBLIC AND SPECIALIZED TRANSIT	
SB 125 Formula Funds	6,100,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, AND RAIL CONSTRUCTION	**$ 221,261,800**
HIGHWAY DESIGN-BUILD	
91 Eastbound COP	19,013,800
15/91 Express Transit Connector (ETC)	250,000
15/91 Express Lane Connector (ELC)	67,000
91 Third Express Lane	180,000
SR91 Corridor Design-Build	2,733,000
I-15 Express Lanes — Northern Extension	270,000
I-15 Express Lanes — Southern Extension	43,650,000
TOTAL HIGHWAY DESIGN-BUILD	**$ 66,163,800**
HIGHWAY RIGHT OF WAY AND LAND	
15/91 Express Lanes connector	$ 60,000
71/91 Connector	250,000
I-15/Franklin St. Interchange Project	18,060,000
Beaumont Potrero Interchange Phase II	5,725,000
SR-79 Modified Realignment	64,910,000
91 Eastbound COP	4,100,000
I-15 Express Lanes - Southern Extension	1,540,000
SR-71/91 Habitat Mitigation & Monitoring	25,000
SR91 Corridor Design-Build	1,807,000
I10 Highland Springs Ave Interchange	35,000
Santa Ana Trail - SR71 to Eastvale	370,000
Santa Ana Trail - West of SR71	2,376,000
MCP	6,318,200
SR-60 Truck Lanes	100,000
SR-60 Truck Lanes Habitat Mitigation	66,000
SR-91 High Occupancy Vehicle (HOV) lanes/Adams Street to 60/91/215 interchange	195,000
General *(details presented in Section 3.3 Capital Projects)*	4,035,100
SUBTOTAL HIGHWAY RIGHT OF WAY AND LAND	109,972,300
REGIONAL ARTERIAL RIGHT OF WAY AND LAND	
Various Western County MARA and TUMF regional arterial projects	3,478,000
SUBTOTAL REGIONAL ARTERIAL RIGHT OF WAY AND LAND	5,478,000
RAIL RIGHT OF WAY AND LAND	
General	150,000
SUBTOTAL RAIL RIGHT OF WAY AND LAND	150,000

TABLE 21 – HIGHWAY, REGIONAL ARTERIAL, RAIL, AND REGIONAL CONSERVATION PROGRAM PROJECTS FY 2026/27 (continued)

Description	
PUBLIC AND SPECIALIZED TRANSIT	
SB 125 Formula Funds	245,000
REGIONAL CONSERVATION RIGHT OF WAY AND LAND	
Regional Conservation acquisition consultant costs *(details presented in Section 3.2 Regional Conservation)*	400,000
TOTAL HIGHWAY, REGIONAL ARTERIAL, RAIL, AND REGIONAL CONSERVATION RIGHT OF WAY AND LAND	**$ 116,245,300**
GRAND TOTAL HIGHWAY, REGIONAL ARTERIAL, RAIL, AND REGIONAL CONSERVATION PROGRAMS	**$ 463,085,900**

AGENDA ITEM 7A

MINUTES

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

MEETING MINUTES

Wednesday, April 8, 2026

1. CALL TO ORDER

The Riverside County Transportation Commission was called to order by Chair Raymond Gregory at 9:32 a.m. at the DoubleTree by Hilton, in the Mesquite Ballroom, 67967 Vista Chino, Cathedral City, California 92234.

2. ROLL CALL

Commissioners/Alternates Present		**Commissioners Absent**
Brian Berkson	Jim Steiner	Ulises Cabrera
Chuck Conder	Fia Sullivan	Steve Downs
Joseph DeConinck	Toper Taylor*	Waymond Fermon
Denise Delgado	Valerie Vandever	Sheri Flynn
Kathleen Fitzpatrick	Michael M. Vargas	Jan Harnik
Raymond Gregory	Dirk Voss	Clint Lorimore
Yxstian Gutierrez	Cindy Warren	Linda Molina
Bob Karwin	Chuck Washington	Jose Medina
Linda Krupa		Joseph Morabito
Bob Magee		V. Manuel Perez
Catalino Pinging		Jeremy Smith
David Ready		James Stewart
Karen Spiegel		Lloyd White

**Joined after the meeting was called to order.*

3. PLEDGE OF ALLEGIANCE

Commissioner Bob Magee led the Commission in a flag salute.

4. PUBLIC COMMENTS

There were no requests to speak from the public.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

6. CONSENT CALENDAR

M/S/C (Fitzpatrick/Krupa) to approve the following Consent Calendar items.

6A. APPROVAL OF MINUTES – JANUARY 29-30 WORKSHOP AND MARCH 11, 2026

6B. MONTHLY INVESTMENT REPORT

1) Receive and file the Monthly Investment Report for the month ended February 28, 2026.

6C. FISCAL YEAR 2024/25 COMMISSION AUDIT RESULTS

1) Receive and file the Fiscal Year 2024/25:
   a) Annual Comprehensive Financial Report (ACFR);
   b) Local Transportation Fund (LTF) Financial and Compliance Report;
   c) State Transit Assistance (STA) Fund Financial and Compliance Report;
   d) State of Good Repair (SGR) Financial and Compliance Report;
   e) Low Carbon Transit Operations Program (LCTOP) Account Financial and Compliance Reports;
   f) Single Audit Report;
   g) RCTC 91 Express Lanes Fund Financial Report;
   h) 15 Express Lanes Fund Financial Report;
   i) Debt Compliance Report;
   j) Agreed-Upon Procedures Report related to the Appropriations Limit Calculation;
   k) Agreed-Upon Procedures Report related to the Commuter Assistance Program (CAP) incentives;
   l) Auditor's communication to those charged with governance for both the financial statements and the Single Audit;
   m) Management certifications; and
   n) Auditor Required Communications Report.

6D. STATE AND FEDERAL LEGISLATIVE UPDATE

1) Receive and file a state and federal legislative update.

6E. MASTER AGREEMENTS AND RESOLUTIONS WITH CALTRANS FOR STATE-FUNDED TRANSIT PROJECTS, TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM, AND STATE RAIL ASSISTANCE PROGRAM

1) Adopt Resolution No. 26-005, "*Authorization for the Execution of a Master Agreement and Program Supplements for State- Funded Projects"* with California Department of Transportation (Caltrans);
2) Approve Agreement No. 26-25-065-00 with Caltrans for state-funded transit projects;
3) Adopt Resolution No. 26-004, *"Authorization for the Execution of a Master Agreement and Program Supplements for Transit and Intercity Rail Capital Program (TIRCP)- Funded Projects"* with Caltrans;
4) Approve Agreement No. 26-25-064-00 with Caltrans for state-funded TIRCP projects;
5) Adopt the State Rail Assistance (SRA) program, Resolution No. 26-006, *"Authorization for the Execution of the State Rail Assistance Project"* with Caltrans, the Authorized Agent Form, and Certification Assurances; and
6) Authorize the Executive Director, pursuant to legal counsel review, to finalize and execute the agreement and future program supplements on behalf of the Commission.

6F. AMENDMENT NO. 1 WITH LOS ANGELES COUNTY SERVICE AUTHORITY FOR FREEWAY EMERGENCIES, FOR REGIONAL SOCAL 511 TRAVELER INFORMATION SERVICES

1) Approve Amendment No. 1 to Agreement No. 21-45-022-00, between the Los Angeles County Service Authority for Freeway Emergencies (LA SAFE), San Bernardino County Transportation Authority (SBCTA), and the Commission for continued Southern California's 511 traveler information system services, for a sixty-two month term, for an additional amount of $940,731, and a total amount not to exceed $1,831,237; and
2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of the Commission.

6G. JOINING PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT JOINT POWERS AUTHORITY FOR CYBER SECURITY INSURANCE

1) Approve the Public Risk Innovation, Solutions, and Management Joint Powers Authority Agreement and Memorandum of Understanding for the Cyber Liability Program;
2) Authorize the Chair, pursuant to legal counsel review, to execute the agreements on behalf of the Commission; and
3) Appoint the Executive Director, or his designee, to serve as the officer responsible for risk management and liaison between the Commission and

Public Risk Innovation, Solutions, and Management pursuant to the Joint Powers Agreement requirements.

7. MOBILITY SERVICES UPDATE (JULY–DECEMBER 2025)

Hanan Sawalha, Senior Management Analyst, presented the Mobility Services update for July through December 2025, highlighting the following:

- RCTC Mobility Services
  - ✓ Supporting Everyday Travel in Riverside County
    - Freeway Service Patrol
    - SoCal 511
    - Park & Ride
    - IE Commuter
    - RCTC VanClub
    - Experience Metrolink
- IE Commuter
  - ✓ Connecting Employers and Residents to Better Commute Options
    - 2,692 Employer Worksites
    - 140,076 Commuter Accounts
      - 1,765,199 Vehicle Trips Reduced
      - 32,290,155 Vehicle Miles Traveled (VMTs) Reduced
      - 13,102 Tons of Greenhouse gases (GHG) Reduced
- VanClub
  - ✓ Supporting Regional Workforce Mobility through Vanpooling
    - 60 Active Vanpools
      - 58,693 Vehicle Trips Reduced
      - 3,032,047 VMTs Reduced
      - 1,146 Tons of GHG Reduced
- Experience Metrolink
  - ✓ Expanding Access to Regional Rail
    - 3,371 Participants
      - 38,300 Vehicle Trips Reduced
      - 3,448,096 VMTs Reduced
      - 1,407 Tons of GHG Reduced
- Park & Ride
  - ✓ Supporting Multimodal Access to Transit and Ridesharing
    - 2,821 Park & Ride Spaces in Riverside County
      - 534 Spaces Across Eight Leased Locations
      - 510 Spaces at the RCTC Train Stations
      - 1,777 Spaces at Locations Provided by Caltrans/Cities
- Freeway Service Patrol (FSP)
  - ✓ Keeping Riverside County Freeways Moving Safely

- 31,411 Total Assists
  - 30,043 General-Purpose Lanes
  - 1,368 Express Lanes
- 242 Survey Responses Received

At this time, Commissioner Toper Taylor joined the meeting.

Hanan Sawalha continued to present the following areas:

- SoCal 511
  - ✓ Free Real Time Traveler Information Via the Phoneline
    - Dial 511
    - SoCal511.org
    - Mobile App
      - Traffic Report
      - Public Transit
      - Rideshare Services
      - Express Lanes
      - Train Information
      - Access Services
- SoCal 511
  - ✓ Real Time Travel Resources for Smarter Trips
    - 327,020 Points of Services Across the Various Platforms
- Looking Ahead
  - ✓ Next Generation Motorist Aid Study
  - ✓ Next Generation Strategic Transportation Demand Management (TDM) Plan
  - ✓ Transit Trainer Program Pilot
  - ✓ SoCal 511 Modernization
- Customer Experience and Feedback from Participants

Commissioner Valerie Vandever stated that this was a great presentation. She asked how do people get in contact with FSP and do they have trucks that go up and down all day.

Hanan Sawalha replied that there is no way to reach FSP directly, they are a roving service, so they rove during peak traffic hours, and they find cars that are disabled and help get them moving.

Commissioner Linda Krupa thanked Hanan Sawalha for the presentation. She asked if there was any information that has come back on the removal of the call boxes in the different remote areas in Riverside County.

Hanan Sawalha replied since they have removed the call boxes, they have not received any feedback.

Commissioner Bob Karwin asked if 511 does not provide roadside assistance to the Inland Empire, what most of those calls are about.

Hanan Sawalha replied that mostly it is about traffic patterns so you can call and get information about certain freeway segments, what the traffic patterns are, and if there are specific instructions or incidents.

Commissioner Karwin expressed confusion because they are not getting roadside assistance and with Waze and Google Maps, anybody with a phone can call 511 or get all those programs from other services. He asked what they are exactly getting for their funding.

Hanan Sawalha replied that they aggregate all the information for people to one place so its traffic patterns, transit information, and rideshare information all in one place. They, as local agencies, can add special alerts directly on the system based on their region. If there is something that they are aware of in Riverside County they can place an alert directly on the system that maybe Waze and Google do not have access to right away.

Commissioner Karwin asked if there is a plan in place where they are trying to join the roadside services portion of 511 and how far off is that.

Aaron Hake, Executive Director, stated that as part of their Next Generation Motorist Aid Study they are looking at that option. If they were to provide that option, they have to do that in conjunction with San Bernardino County Transportation Authority (SBCTA) as they are RCTC's partner in the Inland Empire on the 511 system. He just met yesterday with SBCTA's Executive Director, Carrie Schindler, to discuss this very topic. SBCTA is also exploring what the next generation of their system looks like so we are both doing our research and will come together to decide what is the best plan going forward. SBCTA's emphasis is looking for other ways through systems such as Starlink as a way to get people in touch with Motorist Aid more quickly or is it through a 511-type system. He asked Hanan Sawalha what the time frame was on this study.

Hanan Sawalha replied that right now they are in the middle of their study and it is an 18-month study so they can probably provide updates sometime in the summer, but it will not conclude until 2027.

Aaron Hake stated that they have until the middle of next year. In the meantime, his thought on this question of roadside assistance is that if someone has services such as AAA or other insurance the best thing to do is to call them directly rather than going through 511.

Commissioner Karwin stated that it just seems like the Commission is disproportionally funding this program that they are not getting a ton of benefit from and is hoping that they are investing in something that is going to feed us back in the future.

Aaron Hake concurred and stated they are looking for the next generation of technology that would be in this field. He referred to Commissioner Karwin's first question about what is the value added and stated that these people can on their Apps get information if there is traffic building ahead. He asked Hanan Sawalha to correct him if he is wrong, but their 511 operators can look at Caltrans and CHP logs, and they may be able to get more real time information than what other Waze user has posted there is an accident. There may be more detailed information that someone who is safe at a computer can look up and say there is a closure between this ramp and this ramp, it is in the two right lanes, it was scheduled, and it is going for this amount of time.

Commissioner Karen Spiegel stated when Hanan Sawalha was going through that FSP chart that had the percentages of different activities and there was vehicle safety at just about 50 percent but then there were flat tires, accident, and other things. She asked what vehicle safety is about.

Hanan Sawalha stated that their FSP drivers are supposed to check on every vehicle that is disabled so they have a lot of big rigs in the area and have a lot of people who travel long distances they could be stopped just to make a phone call. These are people who do not want FSP service, but their drivers go out there and check on them anyway for safety. Then other meaning others served most of them are flat tires or fuel.

Commissioner Spiegel asked if they have had any incidents that their FSP driver would stop and have a negative interaction.

Hanan Sawalha stated that they do not have many of them. They do provide surveys to everyone, they have very few poor results from those and if they do, CHP contacts the motorist right away to kind of resolve the issue.

Commissioner Spiegel clarified that she is talking about their drivers getting something negative to them.

Hanan Sawalha replied that even from the big rig drivers who are resting, RCTC gets a lot of feedback from them that they have been in other states nobody has ever checked on them, so this was nice.

Commissioner Spiegel expressed concern when officers and CHP stop someone you never know who is going to be in that car and she was just curious if they had any incidents.

Hanan Sawalha stated that their drivers are trained to identify themselves right away and provide information, so motorists are aware of who is approaching them. The drivers also wear vests identifying them as FSP.

M/S/C to:

1) Receive and file the Mobility Services Update for July through December 2025.

8. TRANSPORTATION DEMAND MANAGEMENT MODERNIZATION CONTRACTS

Brian Cunanan, Commuter and Motorist Assistance Manager, presented the Expanding RCTC's Mobility Impact through TDM Modernization and the contract awards, highlighting the following:

- What is TDM?
  - ✓ Cost effective strategies that improve mobility by reducing congestion and maximizing use of existing infrastructure
- RCTC's TDM program today
  - ✓ Strong foundation supporting mobility and commuter choice and system efficiency
- National and Regional Recognition
  - ✓ Association for Commuter Transportations' Industry Impact Award (2025) for IE Commuter
  - ✓ Southern California Association of Governments' Transportation Innovation Award (2026) for Experience Metrolink
- TDM Advances RCTC Strategic Goals
  - ✓ Mobility and Environmental Stewardship
  - ✓ Quality of Life and Access
  - ✓ System Performance and Infrastructure
- Strategic TDM Plan – Roadmap to Expand RCTC's Mobility Impact
  - ✓ Expand TDM's Strategic Role
  - ✓ Modernize Program Approach
  - ✓ Strengthen Transit Integration
- Strategic TDM Plan Procurement
- Building Implementation Capacity Through Flexible On-Call TDM Support
- On-Call TDM Services Procurement
- Leveraging External Funding to Expand TDM Impact
  - ✓ Mobile Source Air Pollution Reduction Review Committee (MSRC) County Transportation Commission TDM Partnership Program
    - Approved RCTC Funding Allocation:
      - $500,000 – Strategic TDM Planning
      - $3 million – TDM Program Implementation
      - $500,000 – Enhanced FSP Olympic Readiness
- From Strategy to Implementation
  - ✓ Spring 2026
    - Kick off Strategic TDM Plan Project

- Issue Task Order(s) for:
  - Near-term program initiative(s)
  - Potential grant funding opportunities

✓ Spring 2027
- Strategic Plan Board update
- Launch Program initiatives (e.g., Transit Trainer)

✓ Fall 2027
- Present Strategic Plan recommendations
- Seek Board direction on priority strategies
- Secure MSRC reimbursement approvals

✓ Early 2028 and beyond
- Issue Task Orders for:
  - Board approved TDM projects
  - VMT mitigation projects to support capital projects, as needed

- Recommendation Summary

✓ Positioning RCTC to Expand TDM Impact
- Strategy – Award contract for the Strategic TDM Study
- Resources – Award contracts for On-Call TDM Services bench
- Funding – Approve MSRC funding agreement

Commissioner Chuck Conder asked if there were any metrics that show the number of riders on these large buses. He noted being very frustrated when he sees these buses go by with only two, three, or four people in them. He suggested a smaller unit would be more cost effective if used and asked if there are metrics that track people on board.

Brian Cunanan replied that he can certainly get that from their transit providers and provide a report on that.

Commissioner Cindy Warren clarified that they have grant money or funding for $4 million but the whole entire program is $7 million. She asked where the other $3 million is coming from and is it budgeted.

Brian Cunanan replied like any of their TDM programs they partner with SBCTA so half of that funding will be SBCTA reimbursement and the other half will be from the MSRC for RCTC's activities.

Commissioner Toper Taylor stated that the Olympics is a unique situation he can understand why they need coordination and strategy under the Southern California region but if this does not get funded, what happens and how critical is it.

Brian Cunanan shared that Riverside County and San Bernardino County have the unfortunate truth of having the most out of county commuters that have longer distances and have the most impact to their quality of life so a lot of the services they provide

breakdown a lot the barriers to get them into rideshare and transit arrangements. Without some of these, some of those connections might not be made as they might not be aware of some of these services available and those services would not be available to make those connections.

Aaron Hake stated they work with employers throughout the County that look to RCTC and depending on the size of the employer though South Coast Air Quality Management District (AQMD) they are required to have a program that encourages alternatives to driving. Many of them elect to use RCTC's program as that tool and they provide that service to them. RCTC is here to partner with the private sector and help get that message out to their employees.

Chair Gregory stated that it came up at the Budget and Implementation Committee meeting so this is really two parts where they have the study being done in which will then come up with tangible projects. Then they have a bank of consultants that can do those projects so as these come up and are approved, they already have what staff believe are the fields of expertise represented that can do the projects. He explained that Alta Planning + Design, Inc. is the one being proposed to do the plan that then would come up with projects and Alta Planning + Design, Inc. is also in the bank of consultants that would then perform those projects. Although that would be controlled by RCTC as to who they would have do it. The concern that was brought up at the Budget and Implementation Committee and RCTC shares that concern is that you have somebody doing the plan and would they tend to come up with suggestions where then they would be the best company to actually do that. He stated that Brian Cunanan looked at that and he touched on the conflict of interest but asked if he could explain what he developed to make sure that does not happen.

Brian Cunanan replied they are going to develop high level recommendations to them ultimately the board selects which of those priorities move forward. The consultant will not be developing the scopes of work staff will be developing the scopes of work. The other piece is to ensure that all the bench firms have access to the same information for their considerations. On top of that staff will be going through conflict of interest review with each task order. The reason they did not want to prevent the planning consultant from also participating with implementation is they most likely would not get anybody to do the planning. There are a lot more frequency and work opportunities on the implementation side than there is on the planning side with TDM.

Chair Gregory clarified that the organization is prepared to be involved to the level that they evaluate what is going on with the planning process to make sure that type of leaning towards projects that ultimately comes through or is not going to happen.

Brian Cunanan replied correct.

Commissioner Krupa thanked Brian Cunanan for the presentation. She asked if this ties into the TDM presentation they are going to have at the Southern California Association of Governments (SCAG) Transportation Committee meeting tomorrow.

Brian Cunanan stated that is a separate presentation related to the Olympics.

Aaron Hake stated RCTC is on that working group with SCAG as they come up with their TDM Plan for LA28. What RCTC is advocating for with SCAG staff is that they should be leveraging their existing program here. They are trying to make sure that SCAG is aware of everything that the Commissioners just heard about and that SCAG is investing in this program for the Commission to get the word out to their residents or whoever maybe visiting here during the games, so having this program is super important to that. Also, he would like to have SCAG help fund some of this program for the Commission.

Commissioner Krupa added they are always being told the Olympics is going to benefit all of us, except it is not.

Aaron Hake suggested that they should have a discussion about LA28, but this is one area where the Commission can be effective during the games. He noted having several conversations with SCAGs' Executive Director about the fact that their efforts are worthy but really need to take into consideration what RCTC and SBCTA are already doing. The answer is it all ties in and he would encourage the Commissioners that are at the SCAG meeting tomorrow to echo that.

Commissioner Spiegel shared with Commissioner Krupa those are great words, they also have those at Metrolink they are having them all over, and the expectation is they are to do these things, but the funding is not coming with that. She noted that they will both be at SCAG tomorrow to raise the questions.

Aaron Hake thanked the Commissioners for their engagement on this issue these are programs they do not often bring forward to them, but they touch so many people in our county, people who work in our county, and elsewhere in the region. They are a part of Measure A the sales tax measure the Commission is responsible for does include TDM Programs. In going back to the last item RCTC is also the Service Authority for Freeway Emergencies (SAFE) and that is a statutory role that the state has given this agency is to administer the state funding for these types of programs. In administering the TDM and the SAFE Programs they are fulfilling the statutory responsibilities as the Commission. Also, the VanClub Program is part of this, and it does not get its due sometimes, but it is a program that they can generate revenue for the Commission in terms of transit dollars. Vanpool programs are considered a transit service by the Federal Transit Administration and transit funding is determined by how many miles of transit is provided. For every van that RCTC can recruit from an employer in Riverside County of people either commuting within the county or coming from outside the county into Riverside County to an employer here while RCTC is subsidizing that trip they get that funding back and maybe

some more for transit. These programs have a benefit to the entire region from an air quality standpoint, a traffic standpoint, quality of life, and it helps RCTC's transit program.

Commissioner Warren stated how many times they have heard this repeatedly do this do that, mandate and nothing behind it to support what they are asking the Commissioners to do. Having their voices at the SCAG meeting tomorrow is going to be huge for this region, she appreciates all they are doing.

M/S/C (Berkson/Vargas) to:

1) Award Agreement No. 26-41-034-00 with Alta Planning + Design, Inc. for Next Generation Strategic Transportation Demand Management Plan services, for an eighteen-month term, in an amount not to exceed $385,895;

2) Award the following agreements to provide on-call transportation demand management services for three-year base period with two, one-year options to extend the agreements for a total period of performance of up to five years in an amount not to exceed an aggregate value of $7,000,000;

- **a) Agreement No. 26-41-035-00 with AECOM Technical Services;**
- **b) Agreement No. 26-41-056-00 with Alta Planning + Design;**
- **c) Agreement No. 26-41-057-00 with HNTB Corporation;**
- **d) Agreement No. 26-41-058-00 with ICF Consulting;**
- **e) Agreement No. 26-41-059-00 with Media Beef;**
- **f) Agreement No. 26-41-060-00 with Nelson\Nygaard Consulting Associates;**
- **g) Agreement No. 26-41-061-00 with Steer Davies & Gleave;**

3) Approve Agreement No. 26-41-067-00 with the Mobile Source Air Pollution Reduction Review Committee (MSRC) funding agreement as part of its Transportation Demand Management CTC Partnership Program in an amount not to exceed $4,000,000; and

4) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the agreement, on behalf of the Commission.

Chair Gregory noted that Jonathon Hoy, Coachella Valley Association of Governments' Director of Transportation, will be presenting this item.

9. COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS' CONTINUED ANALYSIS OF CASH FLOW CONCERNS

Jonathon Hoy presented an update for the Coachella Valley Association of Governments' (CVAG) continued analysis of cash flow concerns, highlighting the following:

- A graph of the Regional Arterial Program (2020 Projections)
- CVAG's Executive Committee directed CVAG to continue monitoring cashflow, also monitor new administration and potential federal and state funding, and advance projects to shovel ready status so they can compete for funding
- In 2021 new Infrastructure Investment and Jobs Act approved, provided funding to states and federal programs
  - ✓ CVAG competed for funding and received $36.48 million in 2023 Active Transportation Program – Cycle 6 funds for the Arts & Music Line
  - ✓ CVAG tied for No. 1 ranked project and received $50 million in 2023 Local Transportation Climate Adaption Program funds for Indian Canyon ACCESS
- CVAG staff worked with RCTC to reconcile federal and state funding received by the county
  - ✓ Identified $26.2 million Surface Transportation Block Grant (STBG) funds
  - ✓ Identified $14.1 million SB 1 Local Partnership Program (LPP) funding programmed to Monroe Interchange
  - ✓ Identified at risk $50 million Congestion Mitigation and Air Quality (CMAQ) funding programmed to CV Sync
- SCAG 2025 Call for Projects and secured
  - ✓ $30 million in STBG funds for the Monroe Street Interchange
  - ✓ $20 million in CMAQ funds for the Arts & Music Line
- Southern California Construction Cost Index (CCCI) – 10 Year Trend Analysis (2015-2025) graph
- Construction costs skyrocketed since COVID-19 throughout the state and an example of that is their No. 1 project in CVAG's Transportation Project Prioritization Study (TPPS) the I-10/Monroe Street Interchange
- How CVAG funds projects:
  - ✓ CVAG's policy is to subtract all the state and federal funding, then split the remaining cost with local agencies 75 percent regional funding and 25 percent local funding
  - ✓ I-10/Monroe Street Interchange looking back in 2020 the cost was estimated at $89 million
  - ✓ At the end of 2025 the I-10/Monroe Street Interchange is estimated at $175 million
- CVAG has a portion of share policy for these large interchange projects based on trip generation they share the cost among the different agencies that use the interchange
- Preliminary report for the Monroe Street Interchange proportionate shares amongst all the cities and the county
- Looking back at the last seven interchanges that were completed and their costs with 35 percent local funding and 65 percent outside funding for a total of $410 million
- Average cost of those first seven interchanges was about $58 million with 65 percent federal and state funding and 35 percent local funding

- Now the average cost of an interchange is going up to $113 million and up with 99.5 percent local funding and .5 percent federal and state funding
- Regional Arterial Program (2025) projections graph
- A list of federal and state funding majority highway future projects that they need to match funding with local money, or they will lose and give back over $350 million
- Measure A – Get a half cent sales tax, taxable sales by area to the Western County, Coachella Valley, and Palo Verde Valley
- Coachella Valley Distribution – 15 percent for Transit, 35 percent Local Streets, and 50 percent Highways
- Using the Measure A money along with TUMF CVAG programs regional funding for projects in the Coachella Valley using the TPPS
- CVAG Revenue – FY 2026/27 $24 million in Measure A; $5 million in CVAG TUMF; and $3 million in STIP CVAG annual share
- CVAG does not directly receive a gas tax SB 1 it goes directly to the county and cities to fund maintenance of roads
- Where do we go from here looking at taxes, cost-share, prioritization, or fees
- The split is 75/25, it was 50/50 split back in 2008 and then it was adjusted, maybe look at adjusting the share of who pays for it but that is not going to bring any new money in
- Looking at CVAG TUMF and raising TUMF costs
- Look at increasing their sales tax
- CVAG currently enters into reimbursement agreements per phase
- Consider limiting funding for only pre-construction
- Should CVAG cap spending for any one project
- CVAG formed an ad hoc committee and in the next three months they will be meeting multiple times to review items and then they will come back to the CVAG Executive Committee and get recommendations from the ad hoc committee on how to move forward

Commissioner Spiegel stated that they are hearing this constantly everything keeps rising with the price of construction and their projects. She gets the definitive reason why and asked if RCTC has evaluated that as to why and what they are going to do.

Aaron Hake replied that they have and cannot come up with one definitive answer on what is happening, this is where the market is at. They have seen on some recent projects that bids have come up or at engineer's estimates. RCTC is seeing this trend going and Erik Galloway, Projects Delivery Director, has done extensive research with the industry trying to figure out what the material disclaimer is and currently they are not able to. They will keep asking and keep looking but unfortunately, he does not have a here is why.

Commissioner Spiegel stated as one of the members on this Commission that they are just going to say it is going to go up instead of finding out why. Maybe there is nothing

that they can do but at least they can understand as their constituents ask constantly why it is so expensive and why they are not doing something and when you tell them that prices go up and then want to know why. She suggested that they need to spend a little more energy figuring out why they are going up.

Jonathan Hoy stated that it started in 2020, it has been going on but it has taken a steeper trend. He does not think there is one single thing to point to but certainly the construction cost index, which is monitored by a number of different independent groups, is going up everywhere.

Aaron Hake stated that it is not just a Riverside County trend or a California trend, it is a national phenomenon that they have seen. He noted to Commissioner Spiegel that staff will continue to ask this question and bring information back to the Commission.

Commissioner Taylor asked if there was a report on what they found.

Aaron Hake replied that he does not have a document and asked Erik Galloway to share with the Commissioners what he has heard.

Erik Galloway stated that Aaron Hake is correct, they have not produced a document. They have been meeting monthly with the Associated General Contractors. He presented to their four-county commission about a month ago and they do bring up these questions like what is driving this. There are multiple factors and one is labor rates are going up every year they had to do prevailing wage rates for their construction projects that constantly increase. The material prices go up and that is driven by several factors, one is tariffs that have an effect, where the supplies come from and what the labor costs are to build that. The second would be federal regulations they have to comply with like buy America is now build America, so all their components have to be an American product which is much more expensive.

Commissioner Conder expressed appreciation to Jonathon Hoy for asking the tough questions. He stated that interchanges are really the best use of their money are they going to increase the flow of traffic where do they put that money as he is not sure that constructing interchanges is really where they need to put the funding.

Commissioner Warren stated that it was probably one of the best presentations that she has ever seen because it was truthful. She asked have they ever, when gone out for bid and looked at all the bids that came in and said no these are too high, try again.

Aaron Hake stated that if they do not have the funding if the bids come in above their available level of funding, they will cancel the procurement. In his time here that has not happened, but it did just happen in San Bernardino County a few months ago on the Ontario Airport Connector. The project to tunnel between the Rancho Cucamonga

Metrolink station and the airport and all the bids came in way over what the agency had available and so there is no project.

Commissioner Warren stated that she just did not know if that ever happened.

Aaron Hake stated that what they do with every procurement when the bids come in whether they are within budget or not they have to review and audit every line item on there to make sure that it looks reasonable and that it is responsive to what they ask for. They could price in things or do work that does not meet the scope or is not necessary, so they do a line by line for every procurement.

Commissioner Dirk Voss stated that during COVID-19 he was working on projects with the cultivation facilities and the water lines and those types of things were going all over the place. They got their bid and got their quote and waited six months and it went up from $240,000 to $325,000. Have they ever thought about how much material they are going to need, whatever type of material to determine that out and buy ahead of time or secure it ahead of time. Even though they are working with the contractor and have the contractor go to the asphalt guy as an example and buy 10 million pounds of asphalt what is the bulk price of this now and secure it so by the time they get through the process, they are still locked in that price. Obviously, a smaller scale but he was able to secure ahead of time for 800 to 1,000 feet water lines lock in the price and if he gets passed a certain time frame then it could go up. Are they looking at it instead of doing an interchange, but the desert needs an interchange in Desert Hot Springs and Morongo. The point is are they looking at these a little differently maybe they should be looking at these as if we are the contractor in the sense of how do they secure product that they need to build these. Materials are the big costs if he listened correctly from Erik Galloway every one of the reasons had something to do with materials. He is thinking outside the box a little bit of what they do with putting a little bit of a private sector element of how they would go about their construction stuff.

Aaron Hake replied that it is very outside the box and it is a private sector approach. In the public sector they have to rely on low bid and public contract code on how they procure items and referred to Erik Galloway to respond.

Erik Galloway stated they did have that conversation internally with the construction team. What they were looking at was long term what are the projects that RCTC has coming up in the next five to 10 years, what are the typical products they are going to need, and is there an ability to have this material on hand and then just provide it to the contractor, because RCTC already paid for it. There are a lot of issues that would come from that of having storage, having it expire, and a lot of different things can happen in that process. Also, one of the other things that could happen is they could buy some material that would no longer be approved by the state or by whoever is going to use it. An example is at one point in his career Caltrans switched to the metric system. They have looked at it, and he thought about if they had a project like a bridge if they could

prefabricate the girders and have them stored somewhere so those are options that they can work out with the contractor. He has challenged his team in terms to think outside the box and figure out ways they can do this and can be more economical for the Commission. Erik Galloway stated to Commissioner Voss that hopefully he answered his question.

Commissioner Voss replied it does and he appreciates that Erik Galloway was thinking of that. He stated that if they do not begin thinking like that they are going to be hitting this wall all the time. An example years ago Phoenix did this and this was when he first thought about the kind of creativity prioritization and these type of things in government. They had their own waste disposal in the city of Phoenix, and the mayor said that they have to cut their costs, so they divided the city in five different regions. Then they did an RFP for five different waste disposal regions and three of the five the city government out did the private sector and then two of them were outsourced to the private sector. He asked are they were thinking in that kind of manner about where maybe they start thinking at how private sector projects are built. Although there could be a change in metric versus regular or material expires but they obviously do not back log too much. Then the question comes down to since we are paying a prevailing wage is it something they could do ourselves. He suggested that they have to begin thinking about these kinds of things and not just the status quo of what we are doing and if it will work.

Jonathan Hoy stated that he heard everything that had been said. He thinks it is a level of risk that was mentioned that the agency wants to take on. At CVAG they have advanced purchases and stored things, for example on CV Link they purchased some shade structures and stored them because they knew they were going to be using them the following year. This is common in traffic signals it is a long wait time to order that steel so they will order traffic poles and store them. There is always a level of risk, but CVAG does do that wherever they can.

At this time, Commissioner Vargas left the meeting.

Commissioner Bob Magee appreciated the conversation about the materials and reminded everyone that in the Inland Empire they produce their own. They produce asphalt, concrete, and steel, and the old Kaiser Steel is still producing rebar every day. There are no tariffs they should be able to source this material from the Inland Empire and that is where their state and federal legislators need to adopt a policy, they call it favorite nation status where they get to reap benefits of the raw materials that are extracted from their communities. They should have a lower price point than anyone else in the nation. They also have the most restrictive environmental laws in the nation, the California Environmental Quality Act (CEQA), which is quite frankly killing us. Then they have unelected bodies like the Air Resources Board that further tighten the screws on their ability to make things happen. Prevailing wage is another example of something that this body has to deal with. Their state and federal partners should get involved in helping us improve their transportation system. Afterall it is the Federal Highway

Administration that regulates all of this. When these highways went in it was all part of the civil defense system for us to move their military quickly from one end of the country to the other. They have lost focus on that and if they cannot focus on that now during a time of war, where they are being threatened by terrorist, he is not sure if they will ever get back on track. Their state and federal partners need to help this body they need to make this place safe not only for the commuters but for our civil defense needs.

Commissioner Taylor suggested considering creating an ad hoc committee to look at cost structures. He stated just the very slide alone it talked about a steady increase in costs but then it jumped after COVID-19. In looking at potential vendors to say what are those costs that have so dramatically increased, what are the margins, and an analysis of those costs. The tariffs that they talked about as potentially an issue they have a lot of local manufacturing. He was speaking to a colleague in Dallas on a similar Commission and they are getting their highways for $3-5 million a mile. He understands that we have earthquakes and there are other items that go into pricing. There are things that occur in the aftermarket place including labor rates, prevailing rates, and legislation, and if they identify 10 things it would greatly help the rest of the state and that would be a helpful document to produce.

Chair Gregory stated the Commission is not going to form an ad committee on a presentation item. He encouraged Commissioner Taylor that on a future item discussing costs and should probably let staff bring a discussion on this and put the item in front of the Commissioners and referred to Steve DeBaun, Legal Counsel to respond.

Steve DeBaun recommended the way that this item is structured as a presentation and the subject matter of an ad hoc committee it sounds like they are talking about countywide as opposed to CVAG. The discussion was fine that they had today, but they should come back for a more focused conversation on a particular creation of an ad hoc.

Commissioner Taylor stated back to CVAG so they have a real issue the presentation show CVAG is running out of money and that cannot happen. It is largely due to the costs of transportation issues versus homelessness, or synchronization of traffic lights, etc. He asked if there is a recommended next step that CVAG is suggesting beyond the presentation.

Jonathan Hoy replied that the purpose of this presentation was to inform the Commission of what CVAG is doing. They formed the ad hoc committee just a few weeks ago they are going to be meeting for the first time later this month. After a few meetings and they get into the weeds with their ad hoc committee they could report back.

M/S/C to:

1) Receive and file a presentation from the Coachella Valley Association of Governments (CVAG) Executive Director, Tom Kirk, who will present

CVAG's continued analysis and cash flow concerns that was presented at the March 16 CVAG Executive Committee.

At this time, Commissioner Gutierrez left the meeting.

10. SUNLINE STATE OF THE AGENCY

Mona Babauta, SunLine Transit Agency General Manager, presented SunLine Transit Agency's (SunLine) State of the Agency, highlighting the following:

- SunLine service area including a system map
  - ✓ Joint Powers Authority formed in 1977
    - Member Agencies: Palm Springs, Desert Hot Springs, Cathedral City, Palm Desert, Rancho Mirage, Indian Wells, La Quinta, Indio, Coachella and unincorporated areas of Riverside County
  - ✓ Service characteristics
    - 1,120 mile service area (roughly the size of the State of Rhode Island)
    - Fixed Route, Paratransit, Microtransit, and Commuter Link
    - Taxi voucher program
  - ✓ Annual Ridership = Approximately 3 million
- FY 26 Operating Funds
- SunLine: Rides Reimagined
  - ✓ SunLine is conducting a system-wide review and developing service alternatives and scenarios, informed by public and stakeholder engagement, in order to respond effectively to changing mobility needs and resource availability over time
    - The last review, SunLine Refueled, was completed prior to COVID-19 or over 6 years ago
    - This effort will guide SunLine's future planning and resource allocation decisions
- Where are we in the process?
- A sample of the survey reflects what SunLine heard from their respondents: Where should SunLine invest additional resources
- This survey reflects what they value: What goal is more important to you?
- SunLine will continue to do stakeholder workshops, focus groups, and other community meetings
- Capital Funding and Priorities
- SunLine's hydrogen fuel path
  - ✓ State of California's Innovative Clean Transit (ICT) Rule mandates full transition of fixed route (FR) fleets to zero emission by 2040
  - ✓ Board direction to transition to CNG from diesel in 1994
  - ✓ Board direction to place first hydrogen powered bus in service in 2002

- ✓ *Today*, over 60 percent of SunLine's active fleet is composed of hydrogen fuel cell buses (excludes contingency fleet of CNG buses)
- ✓ California funding incentives, mostly through Cap & Trade/Invest, support fleet/infrastructure investments
  - 23 years of investment in hydrogen fuel cell technology

- Primary Fueling Infrastructure
  - ✓ Hydrogen Electrolyzer Station – In Operation: November 2019
  - ✓ Liquid Hydrogen Station – Public Station Currently Being Commissioned
- Other Projects that are underway
  - ✓ Workforce Training Center
  - ✓ Maintenance Facility
    - Current Facility has 6 Bus Bays
    - Conceptual Design with 12 Bus Bays

Commissioner Spiegel stated that on SunLine's financial breakdown Mona Babauta had mentioned Measure A dollars, but it was not listed what amount does SunLine get on Measure A.

Mona Babauta replied $8 million a year which is not a whole lot of money, but it is enough to make sure they can maintain eligibility for the larger portions of State Transit Assistance (STA) funding and Local Transportation (LTF) funding.

Commissioner Spiegel clarified that was only on operating what about capital.

Mona Babauta stated that on the capital it helps SunLine maintain eligibility for STA funds, so it is the $28 million the Commissioners saw with the capital breakdown. LTF is on the operations side and that was at the very top of the slide that was about $30 million.

Commissioner Spiegel clarified that in capital SunLine just included the Measure A funds.

Mona Babauta clarified that there is no Measure A in capital.

Commissioner Spiegel stated that is what she was asking.

Mona Babauta apologized and stated that Measure A is only spent in operations.

In response to Commissioner Conder's question are all new acquisitions anticipated to be hydrogen power. Mona Babauta replied that SunLine has 12 buses that pretty much have arrear right now and those will be powered with hydrogen. They still have Compressed Natural Gas (CNG) buses in their fleet and the buses that SunLine runs to San Bernardino are fueled with CNG so those are the commuter coaches. There is no commuter coaching in the marketplace that is fueled with hydrogen, so they have no choice but to use CNG to travel to San Bernardino. SunLine may replace those buses with more CNG buses but that still needs to be discussed with the SunLine Board.

Commissioner Taylor thanked Mona Babauta and thought she did an incredible job with public transportation in Coachella Valley. He stated one of the things they did recently locally is through the city of Indian Wells remind all their citizens of bus stops, times of busing, and how they can access SunLine transit. There are a lot of new people coming in and a lot of people who, when gas is at $9.00 a gallon, are thinking about public transportation more than ever. It really behooves all of them to communicate to their constituents whatever local transit they are offering how to access it links to the website. He was shocked at the response he got when sending this email to everyone and the engagement that people are now paying attention to that simply would not have a year ago just because of busing. The second point was about the increase in gas, have they looked at any kind of economic impact to RCTC and adjusted projections.

Aaron Hake stated they will not know the answer to that question for a few months as there is always a lag when the receipts come to RCTC from the State Board of Equalization. He noted that when they have it, they will share it with the Commissioners.

Chair Gregory especially thanked Mona Babauta for speaking about their work on SunLine's maintenance facility and the recent audit that came back that came before the Commission. He knows there were comments and concerns made about what was reported there and the maintenance facility. Their understanding is that Mona Babauta brought that forward to the auditors as something that SunLine is working on.

Mona Babauta replied yes.

Chair Gregory thanked Mona Babauta as he knows the Commission was concerned and from what he has heard he would say that they are certainly supportive on that effort.

Mona Babauta replied thank you.

M/S/C to:

1) Receive and file the report on the state of SunLine Transit Agency.

11. ITEM(S) PULLED FROM CONSENT CALENDAR FOR DISCUSSION

There were no items pulled from the Consent Calendar.

12. EXECUTIVE DIRECTOR'S REPORT

Aaron Hake:

- Thanked the Commissioners for their excellent questions diving into issues today. He also thanked RCTC's partners who presented today as well. CVAG and SunLine are partners in administering Measure A, in Coachella Valley CVAG directly

receives the highway and regional road portion of Measure A. They administer and decide what their priorities are. The public transit money is devoted to SunLine and so they are partners in the success of administering Measure A. He thought it was important since they are in the Coachella Valley for this Commission meeting that they update the Commission on how their programs are doing. They all work well together, and the executives and himself meet monthly to keep abreast on what is going on at RCTC and what is going on out in the Coachella Valley so there is a great deal of coordination.

- On April 7 he was in Sacramento with the other executive directors of the transportation commissions in Southern California. They were lobbying in favor of a bill called AB 2059 by Assemblymember Lori Wilson, who is the chair of transportation. AB 2059 would impose a cap on the cost of Vehicle Miles Traveled (VMT) mitigation that is required on transportation projects with the state's current California Environmental Quality Act (CEQA) guidelines. As this Commission has discussed, the state has a policy that if you have a road project that increases the amount that people drive all those miles have to be mitigated or offset with public transit, with bike and pedestrian projects, or with affordable housing, all worthy investments. What that is doing with transportation projects that are already in motion is in some cases increasing the cost of those projects by as much as 110 percent to provide for mitigation. In other cases, they have seen in Riverside County that their jurisdictions are looking to initiate projects and may deter their jurisdiction from even beginning the project because at the end of the day there will be potentially uncapped costs on the mitigation. They understand the importance of mitigating impacts under CEQA this is a serious concern for transportation funding in the state. They are working in partnership with Caltrans on RCTC's current projects, and they have been helpful. As the Commissioners know, in the Western Riverside Council of Governments (WRCOG) region a VMT mitigation exchange has been established to help deal with this issue. In the meantime, they are advocating for legislation that will put a cost cap on this mitigation. Currently, it only applies to rural areas of the state and so they are advocating that it gets expanded statewide, so that the cost cap could be in place for all areas such as Riverside County. He will keep the Commissioners posted and certainly share information on that legislation with their jurisdictions if they would like to advocate in favor of it.
- Reported working in strong collaboration with Caltrans he wanted to acknowledge Catalino Pining's, Governor's Appointee Caltrans District 8, leadership they are working to finalize their agreement on the Interstate 15 Express Lanes Southern Extension project so they can have a toll facility agreement and a progressive design-build contract in front of the Commission in May. Catalino Pining and himself are working on the final aspects of that agreement this week. That is a significant project the Commission has been focused on, it has been a priority of the Measure A Delivery Plan for over 20 years.
- Reported that on the bill called AB 1855 on the Coachella Valley Rail Project by Assemblymember Gonzalez is being analyzed by the Assembly National Resources

Committee right now. Even though this project CEQA exemption is not likely to pass committee in the State Legislature they are continuing to work on it to see if there is a way they can get this through. He will update the Commissioners probably by next week.

- Acknowledged that RCTC had a Traffic Relief Plan webinar this week that Chair Gregory led which went very well. They connected with residents online about the Traffic Relief Plan.
- On April 13 they will be having a Telephone Townhall in the Coachella Valley for Coachella Valley residents about the Traffic Relief Plan. Chair Gregory will be leading that effort as well as one being held on April 29 in the western part of the county. Staff will provide the information to dial in it is like a radio show and they call them. Their residents may get a random phone call, and they will hear Chair Gregory saying he would like to talk about transportation. They have typically gotten a few thousand people to stay on the line for an hour.
- April 28 is the Groundbreaking Ceremony for State Route 60/Potrero Interchange Project in the city of Beaumont. An invitation will be going out.

13. COMMISSIONER COMMENTS

There were no comments from the Commissioners.

14. ADJOURNMENT

There being no further business for consideration by the Riverside County Transportation Commission, Chair Gregory adjourned the meeting at 11:12 a.m. The next Commission meeting is scheduled to be held on Wednesday, May 13, 2026.

Respectfully submitted,



Lisa Mobley
Administrative Services Director/
Clerk of the Board

AGENDA ITEM 7B

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

DATE:	May 13, 2026
TO:	Riverside County Transportation Commission
FROM:	Budget and Implementation Committee Linda Fakhouri, Senior Procurement Analyst Jose Mendoza, Procurement Manager
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	Single Signature Authority Report

BUDGET AND IMPLEMENTATION COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

1) Receive and file the Single Signature Authority report for the third quarter ended March 31, 2026.

BACKGROUND INFORMATION:

Certain contracts are executed under single signature authority as permitted in the Commission's Procurement Policy Manual adopted in December 2025. The Executive Director is authorized to sign services contracts that are less than $250,000 individually and in an aggregate amount not to exceed $2 million in any given fiscal year. Additionally, in accordance with Public Utilities Code Section 130323(c), the Executive Director is authorized to sign contracts for supplies, equipment, materials, and construction of all facilities and works under $50,000 individually.

The attached report details all contracts that have been executed for the third quarter ended March 31, 2026, under the single signature authority granted to the Executive Director. The unused capacity of single signature authority for services and goods as of March 31, 2026, is $452,130.

Attachment: Single Signature Authority Report as of March 31, 2026.

SINGLE SIGNATURE AUTHORITY
AS OF March 31, 2026

CONTRACT #	CONSULTANT	DESCRIPTION OF SERVICES	ORIGINAL CONTRACT AMOUNT	PAID AMOUNT	REMAINING CONTRACT AMOUNT
	AMOUNT AVAILABLE July 1, 2025		$ 2,000,000.00		
25-31-070-00	BNSF	PVL Double Track Project- Reimbursement Agreement	$ 45,000.00	$ 23,740.00	$ 21,260.00
09-31-081-17	Parsons	91 Express Lanes Three Lane Study	$ 200,000.00	$ 200,000.00	$ 114,576.17
10-31-099-18	Stantec	91 Express Lanes Three Lane Study	$ 200,000.00	$ 200,000.00	$ 134,234.88
23-31-024-01	City of Temecula Coop	I-15 Smart Freeway Project RCTC/City of Temecula Coop-RSO Reimbursement	$ 250,000.00	$ 31,449.04	$ 218,550.96
25-18-068-01	Eagle Leadership Group	Eagle Leadership Group -Training Academy	$ 60,000.00	$ 56,400.00	$ 3,600.00
19-31-066-02	Glenn Lukos Associates Inc	Mitigation and Monitoring Implementation Services	$ 72,000.00	$ 19,100.00	$ 52,900.00
26-18-008-00	Gallagher Benefit Services, INC.	Compensation, Classification and Benefits Studies.	$ 57,000.00	$ 17,730.00	$ 39,270.00
25-67-121-01	Fairbank, Maslin, Maullin, Metz & Associates (FM3),	Public survey services	$ 52,500.00	$ 52,500.00	$ -
PO 3444	Empire Inc.'s	Station and facilities HVAC services	$ 25,000.00	$ 5,304.00	$ 19,696.00
10-31-099-19	Stantec	71/91 IC Project	$ 50,000.00	$ 18,686.10	$ 31,313.90
26-18-030-00	ACA Compliance Solution Services, INC	The Affordable Care Act (ACA) compliance services	$ 2,500.00	$ 2,500.00	$ -
25-67-121-02	Fairbank, Maslin, Maullin, Metz & Associates (FM3),	Public survey services	$ 71,500.00	$ -	$ 71,500.00
25-18-068-02	Eagle Leadership Group	Eagle Leadership Group -Training Academy	$ 24,000.00	$ 10,250.00	$ 13,750.00
18-31-164-08	CHA	SR-60 Truck Climbing Lanes- CM Services	$ 20,000.00	$ -	$ 20,000.00
25-33-001-02	SCRRA	Cooperative Agreement -Riverside-Downtown Station (Station) At-Grade Crossings (PS&E) Development	$ 64,380.00	$ -	$ 64,380.00
26-19-051-00	MS Excel Solutions	Microsoft Excel programming and consulting Services	$ 50,000.00	$ -	$ 50,000.00
26-31-039-00	Union Pacific Railroad Company	Union Pacific Railroad Reimbursement Agreement - RCTC San Timoteo Property.	$ 25,000.00	$ -	$ 25,000.00
21-31-012-05	CHA	CM FOR 71/91 INTERCHANGE PROJECT	$ 195,000.00	$ 129,299.90	$ 65,700.10
23-31-024-01	City of Temecula Coop	I-15 Smart Freeway Project -Revised memo to return unused balance	$ (200,000.00)	N/A	N/A
21-66-020-03	Netkinetix	CLOUD BASED DATABASE SYSTEM CUSTOMIZATION AND LICENSE AGREEMENT	$ 96,000.00	$ -	$ 96,000.00
25-67-121-03	Fairbank, Maslin, Maullin, Metz & Associates (FM3),	Public survey services	$ 97,990.00	$ -	$ 97,990.00
26-19-075-00	Workiva	Financial reporting module and upgraded budget module	$ 90,000.00	$ -	$ 90,000.00
	AMOUNT USED		1,547,870.00		
	AMOUNT REMAINING through June 30, 2026		$452,130.00		
		Agreements that fall under Public Utilities Code 130323 (C)			
	None	N/A	$-	$-	$-

Linda Fakhouri
Prepared by

Jose Mendoza
Reviewed by

Note: Shaded area represents new contracts listed in the 3rd quarter.

AGENDA ITEM 7C

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	May 13, 2026
TO:	Riverside County Transportation Commission
FROM:	Budget and Implementation Committee Amy Weston, Accounting Supervisor Jennifer Fuller, Deputy Director of Finance
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	Monthly Investment Report

BUDGET AND IMPLEMENTATION COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

1) Receive and file the Monthly Investment Report for the month ended March 31, 2026.

BACKGROUND INFORMATION:

The Commission's investment report reflects investments primarily concentrated in the Riverside County Pooled Investment Fund as well as investments in mutual funds for sales tax revenue bonds debt service payments.

The Commission engaged Payden & Rygel Investment Management to make specific investments for Commission operating funds. The Commission approved an initial agreement with Payden & Rygel in May 2013 following a competitive procurement and has extended the agreement through the annual recurring contracts process.

The monthly investment report for March 2026, as required by state law and Commission policy, reflects the investment activities resulting from the 91 Project 2021 Financing and available operating cash. As of March 31, 2026, total cash and investments in the Commission's portfolio totaled approximately $2.01 billion and were comprised of the following:

CASH AND INVESTMENTS PORTFOLIO	AMOUNTS [1]
Operating	$ 1,419,357,484
Trust	391,818,331
Commission-managed	265,966,834
Total	**$ 2,077,142,649**
Note: [1] Unreconciled and unaudited	

As of March 31, 2026, the Commission's cash and investments adhere to both the Commission's investment policy adopted on December 10, 2025, and permitted investments described in the

indenture for the Commission's sales tax revenue bonds and the master indenture for the Commission's toll revenue bonds. Additionally, the Commission has adequate cash flows for the next six months.

FISCAL IMPACT:

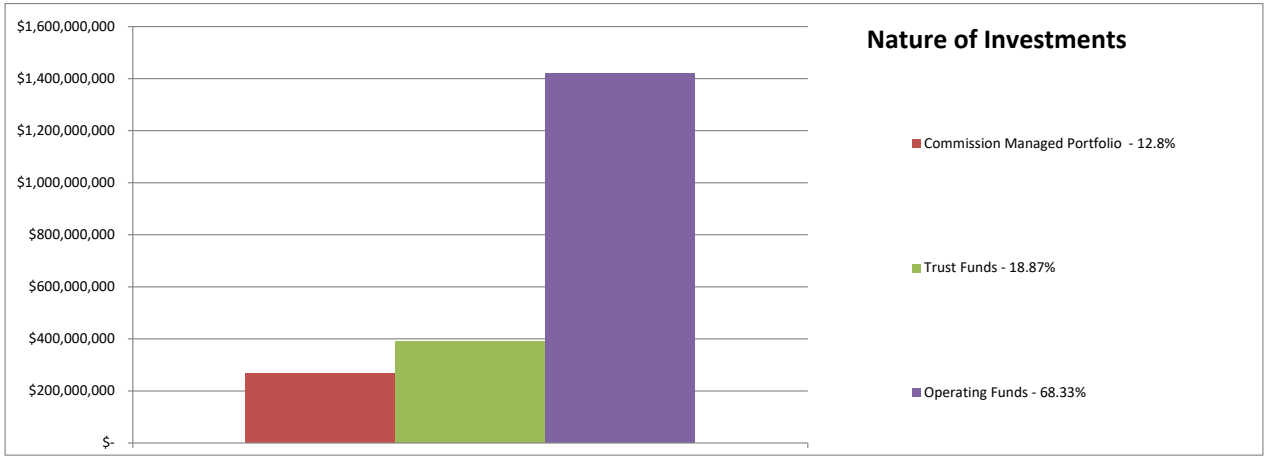
This is an information item. There is no fiscal impact.

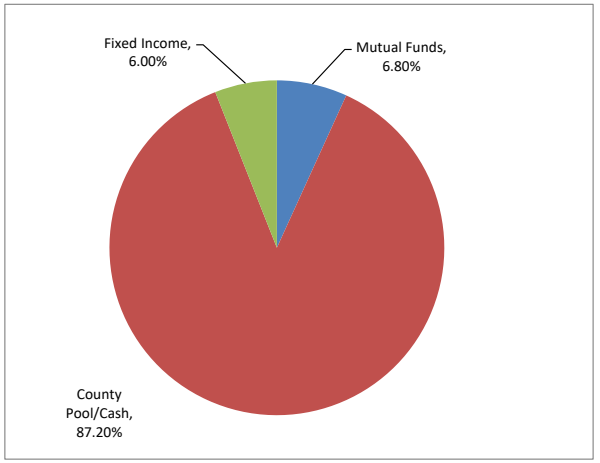
Attachment: Investment Portfolio Report for March 31, 2026

Riverside County Transportation Commission
Investment Portfolio Report
Period Ended: March 31, 2026

	STATEMENT BALANCE [1]	FINANCIAL INSTUTION	STATEMENTS	RATING Fitch [2]	COUPON RATE	PAR VALUE	PURCHASE DATE	MATURITY DATE	YIELD TO MATURITY	PURCHASE COST	MARKET VALUE	UNREALIZED GAIN (LOSS)
OPERATING FUNDS												
City National Bank Deposits	36,537,201	City National Bank	Available upon request	AA-	N/A				N/A			
County Treasurer's Pooled Investment Fund	1,382,820,283	County Treasurer	Available upon request	AAAf/S1								
Subtotal Operating Funds	1,419,357,484											
FUNDS HELD IN TRUST												
County Treasurer's Pooled Investment Fund:												
Local Transportation Fund	391,818,331	County Treasurer	Available upon request					Available upon request				
Subtotal Funds Held in Trust	391,818,331											
COMMISSION MANAGED PORTFOLIO												
US Bank Payden & Rygel Operating	62,069,615	US Bank	Available upon request					Available upon request				
2013 Series A & Series B Reserve Fund	13,349,524	US Bank	Available upon request					Available upon request				
2021 Series B Reserve Fund	41,057,317	US Bank	Available upon request					Available upon request				
2021 Series C Reserve Fund	8,179,278	US Bank	Available upon request					Available upon request				
First American Government Obligation Fund	141,311,101	US Bank	Available upon request	N/A	N/A				N/A			
Subtotal Commission Managed Portfolio	265,966,834											
TOTAL All Cash and Investments	**2,077,142,649**											

Notes:
[1] Unreconciled and unaudited
[2] As of latest available information





AGENDA ITEM 7D

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	May 13, 2026
TO:	Riverside County Transportation Commission
FROM:	Western Riverside County Programs and Projects Committee John Tarascio, Senior Capital Projects Manager
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	Agreement for Construction Management, Materials Testing, Construction Surveying and Environmental Monitoring Services for Santa Ana River Trail 2, Phase 6 – Package A Project

WESTERN RIVERSIDE COUNTY PROGRAMS AND PROJECTS COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

1) Award Agreement No. 26-67-029-00 to Accenture Infrastructure & Capital Projects LLC, for Construction Management, Materials Testing, Construction Surveying and Environmental Monitoring Services for Santa Ana River Trail 2 (SART 2), Phase 6 – Package A Project in the amount of $1,530,880, plus a contingency amount of $107,161, for a total amount not to exceed $1,638,041;
2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the Agreement on behalf of the Commission;
3) Authorize the Executive Director, or designee, to approve contingency work up to the total not to exceed amount as required for these services; and
4) Authorize the Executive Director to make changes between fund types within the total amount approved by the Commission to facilitate the most efficient use of funds.

BACKGROUND INFORMATION:

The concept for the overall Santa Ana River Trail (SART) from the San Bernardino Mountains to the Pacific Ocean in Huntington Beach has been in development for many years. Much of the trail has been constructed in Orange County with short segments remaining to be completed in Riverside and San Bernardino Counties. The last remaining segment to be completed in Riverside County is from the Orange County line to the Hidden Valley Reserve in the cities of Corona and Riverside.

In 2007, the Riverside County Regional Park and Open-Space District (Park District) were successful in obtaining Proposition 84 Grant funds for the SART in Riverside County, including the detailed alignment and construction of the section of trail from the Orange County line to the US Army Corps of Engineers property in the Prado Dam basin.

In March 2015, the Commission and the Park District entered Memorandum of Understanding (MOU) No. 15-67-059-00, establishing a cooperative framework for planning, designing, and constructing the remaining segments of the SART in Riverside County. Under the agreement, the Commission serves as the overall project manager and administering agent for construction management and construction contracts related to trail completion in Riverside County, with all Commission costs reimbursed by the Park District.

In October 2016, the Commission and Park District executed the first amendment to the MOU, Agreement No. 15-67-059-01, expanding the Commission's administering agent role for the ultimate SART 2 – Phase 6 portion to also include procurement and management of design, environmental, and right of way consultant services, covering the approximately 1.5-mile segment of trail from the Orange County line, through the Green River Golf Course, to the existing trail at the Chino Hills State Park boundary.

In January 2018, the Commission and Park District executed the second amendment to the MOU, Agreement No. 15-67-059-02, further expanding the Commission's role to include preliminary engineering, environmental, and final design services for all remaining trail segments in Riverside County.

At the November 2017 meeting, the Commission approved an agreement with Michael Baker International for preliminary engineering, environmental, design and preparation of the final Plans, Specifications and Estimate (PS&E) package and related construction bid documents for the construction of the ultimate SART 2 – Phase 6 project.

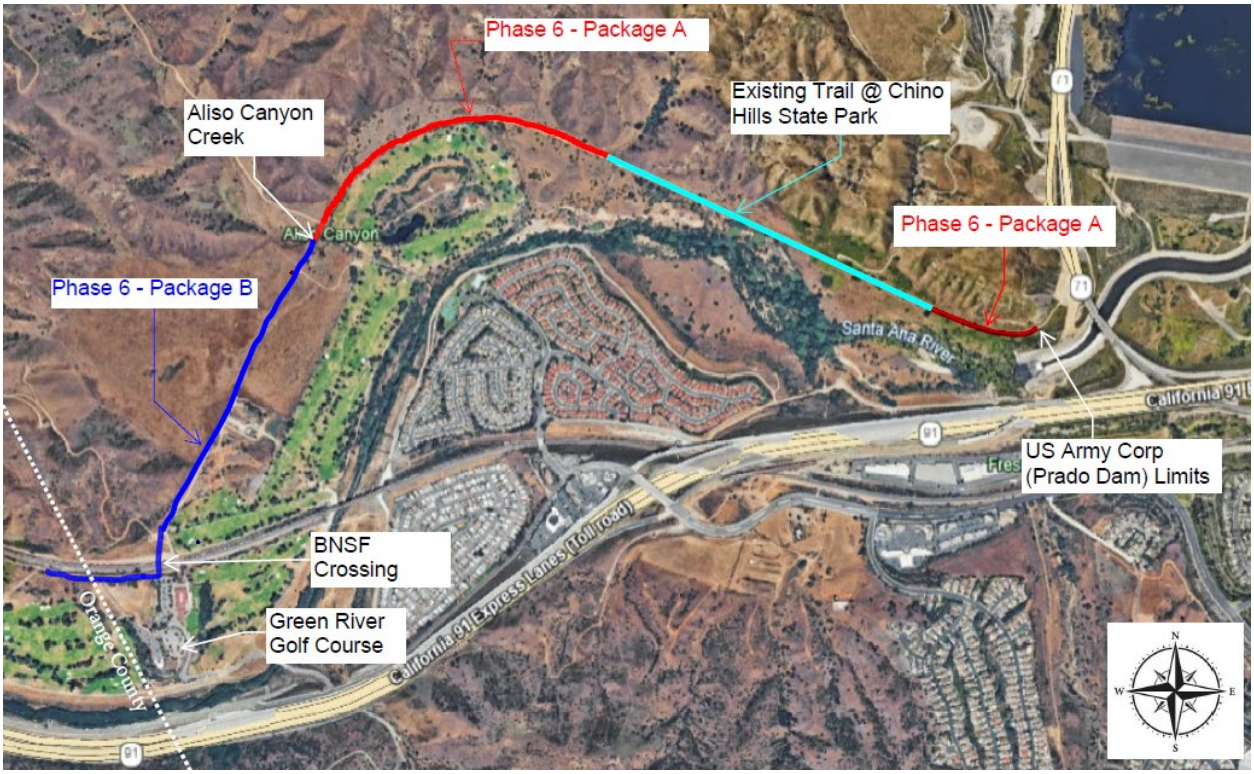
Ultimate SART 2 – Phase 6 Project Scope and Limits

Upon full build out, the ultimate SART 2 – Phase 6 project will construct a 1.5-mile-long Class I (fully separated, paved shared-use path) equestrian and pedestrian trail consisting of hot-mixed asphalt and decomposed granite, with a total width of approximately 18 to 20 feet. The trail will connect the SART extension under the jurisdiction of the County of Orange just south of the Burlington Northern Santa Fe (BNSF) railroad, then continue east parallel to the railroad right of way. A new overhead bridge structure is required to cross the BNSF railroad approximately 1,200 feet east of the Orange County line. North of the railroad, the trail will follow the western edge of the Green River Golf Course, crossing Aliso Canyon Creek via a new steel fabricated bridge, and connect to the existing trail at the western end of the Chino Hills State Park. East of Chino Hills State Park, a small segment of trail will continue to the US Army Corp of Engineers property at the Prado Dam basin.

The Ultimate SART 2 – Phase 6 project is currently at the 100 percent design stage. Due to current funding constraints, construction will be implemented in two packages (Package A and B) – see Figure 1 below. Package A, which is the subject of this agenda item, includes the segment from Aliso Canyon Creek east to the connection with the existing trail at the Chino Hills State Park and the US Army Corp of Engineers Prado Dam boundary. Package B includes the segment from Aliso

Canyon Creek west to the BNSF bridge overcrossing and Orange County line. Package B will be deferred until full funding is available.

Figure 1 – Ultimate SART 2 – Phase 6 Project: Package A & B Limits



Procurement Process

Pursuant to Government Code § 4525 et seq, selection of architect, engineer, and related services shall be on the basis of demonstrated competence and on professional qualifications necessary for the satisfactory performance of the services required. Therefore, staff used the qualification method of selection for this procurement. Evaluation criteria included elements such as corporate qualifications of the offeror and team, qualifications of key team personnel, construction management organization and staffing, project understanding and approach, materials inspection and testing, construction surveying, and the ability to respond to the requirements set forth under the terms of the request for qualifications (RFQ).

RFQ No. 26-67-029-00 for Construction Management, Materials Testing, Construction Surveying and Environmental Monitoring Services for the Santa Ana River Trail 2, Phase 6 – Package A project (Package A Project) was released by staff on December 18, 2025. The RFQ was posted on the Commission's PlanetBids website, which is accessible through the Commission's website. Through PlanetBids, 82 firms downloaded the RFQ and 23 of these firms are in Riverside County. A pre-submittal conference was held on January 7, 2026, and attended by 27 firms. Staff

responded to all questions submitted by potential proposers prior to the January 27, 2026, clarification deadline.

Ten (10) firms: 3D Built (Los Angeles, CA), Accenture Infrastructure & Capital Projects, LLC (Irvine, CA), AECOM Technical Services, Inc. (Orange, CA), FCG Consultants, Inc. (Yorba Linda, CA), Harris & Associates Inc. (Concord, CA), Jacobs Project Management Co. (Riverside, CA), Skyline Consultants, Inc. (Norco, CA), DCCM (Riverside, CA), SYRUSA Engineering, Inc. (Brea, CA), and TKE Engineering, Inc. (Riverside, CA), submitted responsive and responsible statements of qualifications prior to the 2:00 p.m. submittal deadline on January 27, 2026. Utilizing the evaluation criteria set forth in the RFQ, the firms were evaluated and scored by an evaluation committee comprised of Commission and Park District staff.

Based on the evaluation committee's assessment of the written statement of qualifications and pursuant to the terms of the RFQ, the evaluation committee shortlisted and invited two (2) firms (Accenture Infrastructure & Capital Projects, LLC and Jacobs Project Management Co.) to the interview phase of the evaluation and selection process. Interviews were conducted on March 9, 2026.

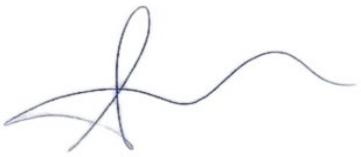
As a result of the evaluation committee's assessment of the written proposals and interviews, the evaluation committee recommends contract award to Accenture Infrastructure & Capital Projects, LLC as this firm earned the highest total evaluation score.

Subsequently, staff negotiated the scope of work (including the appropriate level of effort, labor categories/mix, etc.), cost, and schedule proposal received from Accenture Infrastructure & Capital Projects, LLC for the Package A Project services and established a fair and reasonable price. As part of the procurement process for architectural and engineering services, the contract is subject to a pre-award audit by the Commission's internal auditor. The proposed cost is $1,530,880 and may change slightly because of the pre-award audit. Staff recommends award of Agreement No. 26-67-029-00 to Accenture Infrastructure & Capital Projects, LLC for the Package A Project in the amount of $1,530,880, plus a contingency amount of $107,161, for a total amount not to exceed $1,638,041. A seven percent contingency is included to address unforeseen work within the approved scope. Staff also recommend authorization for the Chair or Executive Director to finalize and execute the agreement for the Package A Project, and authorization of the Executive Director, or designee, to approve contingency work up to the total not to exceed amount as required for these services.

FISCAL IMPACT:

Funding for the Package A Project consists of state funds secured by the Park District, which will be reimbursed directly to the Commission through MOU between the Park District and Commission.

Expenditure Schedule

Financial Information					
In Fiscal Year Budget:	Yes	Year:	FY 2025/26 FY 2026/27+	Amount:	$50,000 $1,588,041
Source of Funds:	Local Agency Reimbursements			Budget Adjustment:	No
GL/Project Accounting No.:	007202 416 41605 000 7200 67 41203 (Revenue) 007202 81302 00000 0000 7200 67 81301 Construction Management (Expense)				
Fiscal Procedures Approved:				Date:	04/22/2026

Attachments:

1) Draft Agreement No. 26-67-029-00 with Accenture Infrastructure & Capital Projects, LLC.
2) Agreement No. 15-67-059-02: MOU for Cooperative Planning and Development of the SART in Riverside County

Approved by the Western Riverside County Programs and Projects Committee on April 27, 2026

In Favor: 9 Abstain: 0 No: 0

Agreement No. 26-67-029-00

**PROFESSIONAL SERVICES AGREEMENT
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT WITH
ACCENTURE INFRASTRUCTURE AND CAPITAL PROJECTS, LLC
FOR
CONSTRUCTION MANAGEMENT, MATERIALS TESTING, CONSTRUCTION SURVEYING, AND ENVIRONMENTAL MONITORING FOR SANTA ANA RIVER TRAIL 2 (SART2) PHASE 6 – PACKAGE A PROJECT**

Parties and Date.

This Agreement is made and entered into this ___ day of _____, 2026, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("the Commission") and **Accenture Infrastructure and Capital Projects, LLC** ("Consultant"), a Limited Liability Company. The Commission and Consultant are sometimes referred to herein individually as “Party”, and collectively as the “Parties”.

Recitals.

A. On November 8, 1988 the Voters of Riverside County approved Measure A authorizing the collection of a one-half percent (1/2 %) retail transactions and use tax (the “tax”) to fund transportation programs and improvements within the County of Riverside, and adopting the Riverside County Transportation Improvement Plan (the “Plan”).

B. Pursuant to Public Utility Code Sections 240000 et seq., the Commission is authorized to allocate the proceeds of the Tax in furtherance of the Plan.

C. On November 5, 2002, the voters of Riverside County approved an extension of the Measure A tax for an additional thirty (30) years for the continued funding of transportation and improvements within the County of Riverside.

D. Consultant desires to perform and assume responsibility for the provision of certain professional services required by the Commission on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing **Construction Management, Materials Testing, Construction Surveying, and Environmental Monitoring Services for the Santa Ana River Trail 2, Phase 6 Project (SART2) - Package A** to public clients, is licensed in the State of California (if necessary), and is familiar with the plans of the Commission.

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E. The Commission desires to engage Consultant to render such services for the **Construction Management, Materials Testing, Construction Surveying, and Environmental Monitoring Services for the Santa Ana River Trail 2, Phase 6 Project (SART2) - Package A ("Project")**, as set forth in this Agreement.

Terms.

1. General Scope of Services. Consultant shall furnish all technical and professional services, including labor, material, equipment, transportation, supervision and expertise, and incidental and customary work necessary to fully and adequately supply the professional **Construction Management, Materials Testing, Construction Surveying, and Environmental Monitoring Services for the Santa Ana River Trail 2, Phase 6 Project (SART2) - Package A ("Project")** services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

2. Commencement of Services.

2.1 The Consultant shall commence work upon receipt of a written "Notice to Proceed" or "Limited Notice to Proceed" from Commission.

3. Term.

3.1 This Agreement shall go into effect on the date first set forth above, contingent upon approval by Commission, and Consultant shall commence work after notification to proceed by Commission's Contract Administrator. This Agreement shall **be for two (2) years**, unless extended by contract amendment.

3.2 Consultant is advised that any recommendation for Agreement award is not binding on Commission until this Agreement is fully executed and approved by the Commission.

3.3 This Agreement shall remain in effect until the date set forth above, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of this Agreement.

4. Commission's Contract Administrator. The Commission hereby designates the Commission's Executive Director, or his or her designee, to act as its Contract Administrator for the performance of this Agreement ("Commission's Contract Administrator"). Commission's Contract Administrator shall have the authority to act on behalf of the Commission for all purposes under this Agreement. Commission's

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Contract Administrator shall also review and give approval, as needed, to the details of Consultant's work as it progresses. Consultant shall not accept direction or orders from any person other than the Commission's Contract Administrator or his or her designee.

5. Consultant's Representative. Consultant hereby designates **Lucas Rathe, Project Manager and Resident Engineer and Musaab Al Madhadi, Assistant Resident Engineer** to act as its Representatives for the performance of this Agreement ("Consultant's Representative"). Consultant's Representatives shall have full authority to act on behalf of Consultant for all purposes under this Agreement. The Consultant's Representatives shall supervise and direct the Services, using his or her professional skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement. Consultant shall work closely and cooperate fully with Commission's Contract Administrator and any other agencies which may have jurisdiction over, or an interest in, the Services. Consultant's Representative shall be available to the Commission staff at all reasonable times. Any substitution in Consultant's Representative shall be approved in writing by Commission's Contract Administrator.

6. Substitution of Key Personnel. Consultant has represented to the Commission that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval by the Commission. In the event that the Commission and Consultant cannot agree as to the substitution of the key personnel, the Commission shall be entitled to terminate this Agreement for cause, pursuant to the provisions herein. The key personnel for performance of this Agreement are as follows: **Lucas Rathe, Musaab Al Madhadi, Greg Gwozdz, Prashanth (PJ) Javvaji and Mazen Zukuri.**

7. Standard of Care; Licenses; Evaluation.

7.1 Consultant represents and maintains that it is skilled in the professional calling necessary to perform all Services, duties and obligations required by this Agreement to fully and adequately complete the Project. Consultant shall perform the Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Consultant further represents and warrants to the Commission that its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from the Commission, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein, and shall be fully responsible to the Commission for all damages and other liabilities provided for in

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the indemnification provisions of this Agreement arising from the Consultant's errors and omissions. Any employee of Consultant or its sub-consultants who is determined by the Commission to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the Commission, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

7.2 Consultant's performance will be evaluated by Commission. A copy of the evaluation will be sent to Consultant for comments. The evaluation together with the comments shall be retained as part of the Agreement record.

8. Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. Commission retains Consultant on an independent contractor basis and not as an employee, agent or representative of the Commission. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries and other amounts due such personnel in connection with their performance of Services and as required by law. Consultant shall be responsible for all reports and obligations respecting such personnel, including but not limited to, social security taxes, income tax withholdings, unemployment insurance, disability insurance, and workers' compensation insurance. Consultant hereby indemnifies and holds the Commission harmless, pursuant to the indemnification provisions contained in this Agreement, from any and all claims that may be made against the Commission based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

9. Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, the Commission shall respond to Consultant's submittals in a timely manner. Upon request of Commission's Contract Administrator, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

9.1 Modification of the Schedule. Consultant shall regularly report to the Commission, through correspondence or progress reports, its progress in providing required Services within the scheduled time periods. Commission shall be promptly informed of all anticipated delays. In the event that Consultant determines that a schedule modification is necessary, Consultant shall promptly submit a revised Schedule of Services for approval by Commission's Contract Administrator.

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9.2 Trend Meetings. Consultant shall conduct trend meetings with the Commission's Contract Administrator and other interested parties, as requested by the Commission, on a bi weekly basis or as may be mutually scheduled by the Parties at a standard day and time. These trend meetings will encompass focused and informal discussions concerning scope, schedule, and current progress of Services, relevant cost issues, and future Project objectives. Consultant shall be responsible for the preparation and distribution of meeting agendas to be received by the Commission and other attendees no later than three (3) working days prior to the meeting.

9.3 Progress Reports. As part of its monthly invoice, Consultant shall submit a progress report, in a form determined by the Commission, which will indicate the progress achieved during the previous month in relation to the Schedule of Services. Submission of such progress report by Consultant shall be a condition precedent to receipt of payment from the Commission for each monthly invoice submitted.

10. Delay in Performance.

10.1 Excusable Delays. Should Consultant be delayed or prevented from the timely performance of any act or Services required by the terms of the Agreement by reason of acts of God or of the public enemy, acts or omissions of the Commission or other governmental agencies in either their sovereign or contractual capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes or unusually severe weather, performance of such act shall be excused for the period of such delay.

10.2 Written Notice. If Consultant believes it is entitled to an extension of time due to conditions set forth in subsection 10.1, Consultant shall provide written notice to the Commission within seven (7) working days from the time Consultant knows, or reasonably should have known, that performance of the Services will be delayed due to such conditions. Failure of Consultant to provide such timely notice shall constitute a waiver by Consultant of any right to an excusable delay in time of performance.

10.3 Mutual Agreement. Performance of any Services under this Agreement may be delayed upon mutual agreement of the Parties. Upon such agreement, Consultant's Schedule of Services shall be extended as necessary by the Commission. Consultant shall take all reasonable steps to minimize delay in completion, and additional costs, resulting from any such extension.

11. Preliminary Review of Work. All reports, working papers, and similar work products prepared for submission in the course of providing Services under this Agreement shall be submitted to the Commission's Contract Administrator in draft form, and the Commission may require revisions of such drafts prior to formal submission and approval. In the event plans and designs are to be developed as part of the Project, final detailed plans and designs shall be contingent upon obtaining environmental clearance as may be required in connection with Federal funding. In the event that Commission's Contract Administrator, in his or her sole discretion, determines the

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formally submitted work product to be not in accordance with the standard of care established under this Agreement, Commission's Contract Administrator may require Consultant to revise and resubmit the work at no cost to the Commission.

12. Appearance at Hearings. If and when required by the Commission, Consultant shall render assistance at public hearings or other meetings related to the Project or necessary to the performance of the Services. However, Consultant shall not be required to, and will not, render any decision, interpretation or recommendation regarding questions of a legal nature or which may be construed as constituting a legal opinion.

13. Opportunity to Cure; Inspection of Work. Commission may provide Consultant an opportunity to cure, at Consultant's expense, all errors and omissions which may be disclosed during Project implementation. Should Consultant fail to make such correction in a timely manner, such correction may be made by the Commission, and the cost thereof charged to Consultant. Consultant shall allow the Commission's Contract Administrator to inspect or review Consultant's work in progress at any reasonable time.

14. Claims Filed by Contractor.

14.1 If claims are filed by the Commission's contractor for the Project ("Contractor") relating to work performed by Consultant's personnel, and additional information or assistance from the Consultant's personnel is required by the Commission in order to evaluate or defend against such claims; Consultant agrees to make reasonable efforts to make its personnel available for consultation with the Commission's construction contract administration and legal staff and for testimony, if necessary, at depositions and at trial or arbitration proceedings.

14.2 Consultant's personnel that the Commission considers essential to assist in defending against Contractor claims will be made available on reasonable notice from the Commission. Consultation or testimony will be reimbursed at the same rates, including travel costs that are being paid for the Consultant's personnel services under this Agreement.

14.3 Services of the Consultant's personnel and other support staff in connection with Contractor claims will be performed pursuant to a written contract amendment, if necessary, extending the termination date of this Agreement in order to finally resolve the claims.

14.4 Nothing contained in this Section shall be construed to in any way limit Consultant's indemnification obligations contained in Section 26. In the case of any conflict between this Section and Section 26, Section 26 shall govern. This Section is not intended to obligate the Commission to reimburse Consultant for time spent by its personnel related to Contractor claims for which Consultant is required to indemnify and defend the Commission pursuant to Section 26 of this Agreement.

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15. Final Acceptance. Upon determination by the Commission that Consultant has satisfactorily completed the Services required under this Agreement and within the term herein, the Commission shall give Consultant a written Notice of Final Acceptance. Upon receipt of such notice, Consultant shall incur no further costs hereunder, unless otherwise specified in the Notice of Final Acceptance. Consultant may request issuance of a Notice of Final Acceptance when, in its opinion, it has satisfactorily completed all Services required under the terms of this Agreement.

16. Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. For example, and not by way of limitation, Consultant shall keep itself fully informed of and in compliance with all implementing regulations, design standards, specifications, previous commitments that must be incorporated in the design of the Project, and administrative controls including those of the United States Department of Transportation. Compliance with Federal procedures may include completion of the applicable environmental documents and approved by the United States Department of Transportation. For example, and not by way of limitation, a signed Categorical Exclusion, Finding of No Significant Impact, or published Record of Decision may be required to be approved and/or completed by the United States Department of Transportation. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the Commission, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold Commission, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

17. Fees and Payment.

17.1 The method of payment for this Agreement will be based on actual cost plus a fixed fee. Commission shall reimburse Consultant for actual costs (including labor costs, employee benefits, travel, equipment rental costs, overhead and other direct costs) incurred by Consultant in performance of the Services. Except as expressly set forth in subparagraph (a) below, Consultant shall not be reimbursed for actual costs that exceed the estimated wage rates, employee benefits, travel, equipment rental, overhead, and other estimated costs set forth in the approved Consultant cost proposal attached hereto as Exhibit "C" and incorporated herein by reference ("Cost Proposal") unless additional reimbursement is provided for by a written amendment. In no event shall Consultant be reimbursed for overhead costs at a rate that exceeds Commission's approved overhead rate set forth in the Cost Proposal. In the event that Commission determines that a change to the Services from that specified in the Cost Proposal and this Agreement is required, the contract time or actual costs reimbursable by Commission shall be adjusted by contract amendment to accommodate the changed

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work. The maximum total cost as specified in Section 17.10 shall not be exceeded, unless authorized by a written amendment. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

(a) **Annual Escalation**. **Price escalation in the not to exceed amount of 4%** may be applied to the hourly rates set forth in Exhibit "C" twelve (12) months after the effective date of this Agreement and annually thereafter. Consultant shall notify Commission prior to submitting an invoice that includes rates escalated in accordance with this provision.

17.2 The indirect cost rate established for this Agreement is extended through the duration of this Agreement. Consultant's agreement to the extension of the 1-year applicable period shall not be a condition or qualification to be considered for the work or Agreement award.

17.3 In addition to the allowable incurred costs, Commission shall pay Consultant a fixed fee of **Ninety-four thousand two hundred thirty-one dollar ($94,231).** The fixed fee is nonadjustable for the term of this Agreement, except in the event of a significant change in the Scope of Services, and such adjustment is made by written amendment.

17.4 Reimbursement for transportation and subsistence costs shall not exceed the rates specified in the approved Cost Proposal. In addition, payments to Consultant for travel and subsistence expenses claimed for reimbursement or applied as local match credit shall not exceed rates authorized to be paid exempt non-represented State employees under current State Department of Personnel Administration (DPA) rules, unless otherwise authorized by Commission. If the rates invoiced are in excess of those authorized DPA rates, and Commission has not otherwise approved said rates, then Consultant is responsible for the cost difference and any overpayments shall be reimbursed to the Commission on demand.

17.5 When milestone cost estimates are included in the approved Cost Proposal, Consultant shall obtain prior written approval for a revised milestone cost estimate from the Contract Administrator before exceeding such cost estimate.

17.6 Progress payments shall be made monthly in arrears based on Services provided and allowable incurred costs. A pro rata portion of Consultant's fixed fee shall be included in the monthly progress payments. Consultant shall not be entitled to and shall forfeit any portion of the fixed fee not earned as provided herein.

17.7 If Consultant fails to submit the required deliverable items according to the schedule set forth in the Scope of Services, Commission shall have the right to delay payment or terminate this Agreement in accordance with the provisions of Section 19 Termination.

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17.8 No payment shall be made prior to approval of any Services, nor for any Services performed prior to approval of this Agreement.

17.9 Consultant shall be reimbursed, as promptly as fiscal procedures will permit upon receipt by Commission's Contract Administrator of undisputed, itemized invoices in triplicate. Invoices shall be submitted no later than 30 calendar days after the performance of work for which Consultant is billing. Invoices shall detail the work performed on each milestone and each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this Agreement number and project title. Final invoice must contain the final cost and all credits due Commission including any equipment purchased under the Equipment Purchase provisions of this Agreement. The final invoice should be submitted within 60 calendar days after completion of Consultant's work. Invoices shall be mailed to Commission's Contract Administrator at the following address:

Riverside County Transportation Commission
Attention: Accounts Payable
P.O. 12008
Riverside, CA 92502

17.10 The total amount payable by Commission including the fixed fee shall not exceed **One million five hundred thirty thousand eight hundred eighty dollars ($ 1,530,880).**

17.11 Salary increases shall be reimbursable if the new salary is within the salary range identified in the approved Cost Proposal and is approved by Commission's Contract Administrator. For personnel subject to prevailing wage rates as described in the California Labor Code, all salary increases, which are the direct result of changes in the prevailing wage rates are reimbursable.

17.12 Consultant shall not be reimbursed for any expenses not included in the approved Cost Proposal unless authorized in writing by the Commission's Contract Administrator.

17.13 All subcontracts in excess of $25,000 shall contain the above provisions.

17.14 Extra Work. At any time during the term of this Agreement, Commission may request Consultant to perform Extra Work. As used herein, "Extra Work" means any work which is determined by the Commission to be necessary for proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Commission's Representative. In the event an Extra Work Order is not issued and signed by Commission's Representative, Consultant shall not provide such Extra Work.

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18. Disputes.

18.1 Any dispute, other than audit, concerning a question of fact arising under this Agreement that is not disposed of by mutual agreement of the Parties shall be decided by a committee consisting of RCTC's Contract Administrator and the Director of Capital Projects, who may consider written or verbal information submitted by Consultant.

18.2 Not later than 30 days after completion of all Services under this Agreement, Consultant may request review by the Commission's Executive Director of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

18.3 Neither the pendency of a dispute, nor its consideration by the committee will excuse Consultant from full and timely performance in accordance with the terms of this Agreement.

19. Termination; Suspension.

19.1 Commission reserves the right to terminate this Agreement for any or no reason upon written notice to Consultant setting forth the effective date of termination, with the reasons for termination stated in the notice.

19.2 Commission may terminate this Agreement with Consultant should Consultant fail to perform the covenants herein contained at the time and in the manner herein provided. In the event of such termination, Commission may proceed with the work in any manner deemed proper by Commission. If Commission terminates this Agreement with Consultant, Commission shall pay Consultant the sum due to Consultant under this Agreement for Services completed and accepted prior to termination, unless the cost of completion to Commission exceeds the funds remaining in this Agreement. In such case, the overage shall be deducted from any sum due Consultant under this Agreement and the balance, if any, shall be paid to Consultant upon demand.

19.3 In addition to the above, payment upon termination shall include a prorated amount of profit, if applicable, but no amount shall be paid for anticipated profit on unperformed Services. Consultant shall provide documentation deemed adequate by Commission's Contract Administrator to show the Services actually completed by Consultant prior to the effective date of termination. This Agreement shall terminate on the effective date of the Notice of Termination.

19.4 Discontinuance of Services. Upon receipt of the written Notice of Termination, Consultant shall discontinue all affected Services as directed in the Notice or as otherwise provided herein, and deliver to the Commission all Documents and

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Data, as defined in this Agreement, as may have been prepared or accumulated by Consultant in performance of the Services, whether completed or in progress.

19.5 Effect of Termination for Cause. In addition to the above, Consultant shall be liable to the Commission for any reasonable additional costs incurred by the Commission to revise work for which the Commission has compensated Consultant under this Agreement, but which the Commission has determined in its sole discretion needs to be revised, in part or whole, to complete the Project because it did not meet the standard of care established herein. Termination of this Agreement for cause may be considered by the Commission in determining whether to enter into future agreements with Consultant.

19.6 Cumulative Remedies. The rights and remedies of the Parties provided in this Section are in addition to any other rights and remedies provided by law or under this Agreement.

19.7 Waivers. Consultant, in executing this Agreement, shall be deemed to have waived any and all claims for damages which may otherwise arise from the Commission's termination of this Agreement, for convenience or cause, as provided in this Section.

19.8 Consultant may not terminate this Agreement except for cause.

19.9 Suspension. In addition to the termination rights above, Commission may temporarily suspend this Agreement, at no additional cost to Commission, provided that Consultant is given written notice of temporary suspension. If Commission gives such notice of temporary suspension, Consultant shall immediately suspend its activities under this Agreement. A temporary suspension may be issued concurrent with a notice of termination.

20. Retention of Records/Audit. For the purpose of determining compliance with Public Contract Code 10115, et seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et seq., when applicable and other matters connected with the performance of this Agreement pursuant to Government Code 8546.7; Consultant, subconsultants, and Commission shall maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of this Agreement, including but not limited to, the costs of administering this Agreement. All parties shall make such materials available at their respective offices at all reasonable times during this Agreement period and for three years from the date of final payment under this Agreement. The state, State Auditor and the Commission shall have access to any books, records, and documents of Consultant that are pertinent to this Agreement for audit, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested. Subcontracts in excess of $25,000 shall contain this provision.

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21. Audit Review Procedures.

21.1 Any dispute concerning a question of fact arising under an interim or post audit of this Agreement that is not disposed of by agreement, shall be reviewed by Commission's Chief Financial Officer.

21.2 Not later than 30 days after issuance of the final audit report, Consultant may request a review by Commission's Chief Financial Officer of unresolved audit issues. The request for review shall be submitted in writing.

21.3 Neither the pendency of a dispute nor its consideration by Commission shall excuse Consultant from full and timely performance, in accordance with the terms of this Agreement.

22. Subcontracting.

22.1 Nothing contained in this Agreement or otherwise, shall create any contractual relation between Commission and any subconsultant(s), and no subcontract shall relieve Consultant of its responsibilities and obligations hereunder. Consultant agrees to be as fully responsible to Commission for the acts and omissions of its subconsultant(s) and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Consultant. Consultant's obligation to pay its subconsultant(s) is an independent obligation from Commission's obligation to make payments to the Consultant.

22.2 Consultant shall perform the Services with resources available within its own organization and no portion of the Services shall be subcontracted without written authorization by Commission's Contract Administrator, except that, which is expressly identified in the approved Cost Proposal.

22.3 Consultant shall pay its subconsultants within fifteen (15) calendar days from receipt of each payment made to Consultant by Commission.

22.4 Any subcontract in excess of $25,000 entered into as a result of this Agreement shall contain all the provisions stipulated in this Agreement to be applicable to subconsultants.

22.5 Any substitution of subconsultant(s) must be approved in writing by Commission's Contract Administrator prior to the start of work by the subconsultant(s).

22.6 Exhibit "C" may also set forth the rates at which each subconsultant shall bill the Consultant for Services and that are subject to reimbursement by the Commission to Consultant. Additional Direct Costs, as defined in Exhibit "C" shall be the same for both the Consultant and all subconsultants, unless otherwise identified in Exhibit "C". The subconsultant rate schedules and cost proposals contained herein are for accounting purposes only.

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23. Equipment Purchase

23.1 Prior authorization, in writing, by Commission's Contract Administrator shall be required before Consultant enters into any unbudgeted purchase order, or subcontract for supplies, equipment, or Consultant services. Consultant shall provide an evaluation of the necessity or desirability of incurring such costs.

23.2 For purchase of any item, service or consulting work not covered in Consultant's Cost Proposal and exceeding $5,000 prior authorization by Commission's Contract Administrator is required. Three competitive quotations must be submitted with the request for such purchase, or the absence of bidding must be adequately justified.

23.3 Any equipment purchased as a result of this Agreement is subject to the following:

Consultant shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of $5,000 or more. If the purchased equipment needs replacement and is sold or traded in, Commission shall receive a proper refund or credit at the conclusion of this Agreement, or if this Agreement is terminated, Consultant may either keep the equipment and credit Commission in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established Commission procedures; and credit Commission in an amount equal to the sales price. If Consultant elects to keep the equipment, fair market value shall be determined at Consultant's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to Commission and Consultant. If Consultant determines to sell the equipment, the terms and conditions of such sale must be approved in advance by Commission.

23.4 All subcontracts in excess $25,000 shall contain the above provisions.

24. Labor Code Requirements.

24.1 Prevailing Wages.

(a) Consultant shall comply with the State of California's General Prevailing Wage Rate requirements in accordance with California Labor Code, Section 1770, and all State, and local laws and ordinances applicable to the Services.

(b) Any subcontract entered into as a result of this Agreement, if for more than $25,000 for public works construction or more than $15,000 for the alteration, demolition, repair, or maintenance of public works, shall contain all of the provisions of this Section.

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(c) When prevailing wages apply to the Services described in the Scope of Services, transportation and subsistence costs shall be reimbursed at the minimum rates set by the Department of Industrial Relations (DIR) as outlined in the applicable Prevailing Wage Determination. See http://www.dir.ca.gov.

(d) Copies of the prevailing rate of per diem wages in effect at commencement of this Agreement are on file at the Commission's offices. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the Commission, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

24.2 DIR Registration. If the Services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants must be registered with the Department of Industrial Relations. If applicable, Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

24.3 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Consultant or the Services are not subject to the Eight-Hour Law. Consultant shall forfeit to Commission as a penalty, $50.00 for each worker employed in the execution of this Agreement by him, or by any sub-consultant under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Consultant or the Services are not subject to the Eight-Hour Law.

24.4 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

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If California Labor Code Section 1777.5 applies to the Services, Consultant and any subcontractor hereunder who employs workers in any apprenticeable craft or trade shall apply to the joint apprenticeship council administering applicable standards for a certificate approving Consultant or any sub-consultant for the employment and training of apprentices. Upon issuance of this certificate, Consultant and any sub-consultant shall employ the number of apprentices provided for therein, as well as contribute to the fund to administer the apprenticeship program in each craft or trade in the area of the work hereunder.

The parties expressly understand that the responsibility for compliance with provisions of this Section and with Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code in regard to all apprenticeable occupations lies with Consultant

25. Ownership of Materials/Confidentiality.

25.1 Documents & Data. This Agreement creates an exclusive and perpetual license for Commission to copy, use, modify, reuse, or sub-license any and all copyrights and designs embodied in plans, specifications, studies, drawings, estimates, materials, data and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data").

Consultant shall require all subcontractors to agree in writing that Commission is granted an exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement.

Consultant represents and warrants that Consultant has the legal right to grant the exclusive and perpetual license for all such Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the Commission.

Commission shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Commission's sole risk.

25.2 Intellectual Property. In addition, Commission shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of

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Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

The Commission shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by Commission, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of Commission.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the Commission.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

Commission further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

25.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of Commission, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Commission's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Commission.

25.4 Infringement Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any

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alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Commission of the Documents & Data, including any method, process, product, or concept specified or depicted.

26. Indemnification. To the fullest extent permitted by law, Consultant shall defend (with counsel of Commission's choosing), indemnify and hold Commission, its directors, officials, officers, employees, consultants, volunteers, and agents 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 alleged negligent acts, omissions, or willful misconduct of Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of consequential damages, expert witness fees, and attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against Commission, its directors, officials, officers, employees, consultants, agents, or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against Commission or its directors, officials, officers, employees, consultants, agents, or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse Commission and its directors, officials, officers, employees, consultants, agents, and/or volunteers, for any and all legal expenses and costs, including reasonable attorney's fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Commission, its directors, officials officers, employees, consultants, agents, or volunteers.

If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

Consultant's obligations as set forth in this Section shall survive expiration or termination of this Agreement.

27. Insurance.

27.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has

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secured all insurance required under this Section, in a form and with insurance companies acceptable to the Commission. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this Section.

27.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(a) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) Automobile Liability: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) Workers' Compensation and Employer's Liability: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(b) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) General Liability: $2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit. Limits may be achieved by any combination of primary and excess or umbrella liability insurance; (2) Automobile Liability: $2,000,000 per accident for bodily injury and property damage. Limits may be achieved by any combination of primary and excess or umbrella liability insurance; and (3) Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of $1,000,000 per accident.

27.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. For Consultant, such insurance shall be in an amount not less than $2,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. Subconsultants of Consultant shall obtain such insurance in an amount not less than $1,000,000 per claim. Notwithstanding the foregoing, the Commission may consider written requests to lower or dispense with the errors and omissions liability insurance requirement

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contained in this Section for certain subconsultants of Consultant, on a case-by-case basis, depending on the nature and scope of the Services to be provided by the subconsultant. Approval of such request shall be in writing, signed by the Commission's Contract Administrator.

27.4 Aircraft Liability Insurance. Prior to conducting any Services requiring use of aircraft, Consultant shall procure and maintain, or cause to be procured and maintained, aircraft liability insurance or equivalent form, with a single limit as shall be required by the Commission. Such insurance shall include coverage for owned, hired and non-owned aircraft and passengers, and shall name, or be endorsed to name, the Commission and its directors, officials, officers, employees and agents as additional insureds with respect to the Services or operations performed by or on behalf of the Consultant.

27.5 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(a) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily Injury and property damage; (2) personal Injury/advertising Injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per Project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent consultants coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from the Commission's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(b) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission and its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible;

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and (2) the insurance coverage shall be primary insurance as respects the Commission and its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission and its directors, officials, officers, employees and agents shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(c) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(d) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this Section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission and its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

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(iv) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

27.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Consultant shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

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27.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

27.8 Verification of Coverage. Consultant shall furnish Commission with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

27.9 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this Section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

27.10 Other Insurance. At its option, the Commission may require such additional coverage(s), limits and/or the reduction of deductibles or retentions it considers reasonable and prudent based upon risk factors that may directly or indirectly impact the Project. In retaining this option Commission does not warrant Consultant's insurance program to be adequate. Consultant shall have the right to purchase insurance in addition to the insurance required in this Section.

28. Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

As between Consultant and the construction contractors only, the construction contractors shall remain solely responsible for construction safety notwithstanding any

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safety obligations of Consultant at the jobsite. The foregoing sentence shall not impact nor in any way modify or alter Consultant's indemnity and defense obligations to the Commission, as set forth in Section 26 of this Agreement, not any of Consultant's duties or obligations set forth under this Agreement, including the attached exhibits.

Pursuant to the authority contained in Section 591 of the Vehicle Code, the Commission has determined that the Project will contain areas that are open to public traffic. Consultant shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. Consultant shall take all reasonably necessary precautions for safe operation of its vehicles and the protection of the traveling public from injury and damage from such vehicles.

29. Prohibited Interests.

29.1 Solicitation. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the Commission shall have the right to rescind this Agreement without liability.

29.2 Consultant Conflict of Interest.

(a) Consultant shall disclose any financial, business, or other relationship with Commission that may have an impact upon the outcome of this Agreement, or any ensuing Commission construction project. Consultant shall also list current clients who may have a financial interest in the outcome of this Agreement, or any ensuing Commission construction project, which will follow.

(b) Consultant hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of Services under this Agreement. Consultant agrees to advise Commission of any actual, apparent or potential conflicts of interest that may develop subsequent to the date of execution of this Agreement. Consultant further agrees to complete any statements of economic interest if required by either Commission or State law.

(c) Any subcontract in excess of $25,000 entered into as a result of this Agreement, shall contain all of the provisions of this Article.

(d) Consultant hereby certifies that neither Consultant, nor any firm affiliated with Consultant will bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this Agreement. An affiliated firm is one, which is subject to the control of the same persons through joint-ownership, or otherwise.

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(e) Except for subconsultants whose services are limited to providing surveying or materials testing information, no subconsultant who has provided design services in connection with this Agreement shall be eligible to bid on any construction contract, or on any contract to provide construction inspection for any construction project resulting from this Agreement.

29.3 Commission Conflict of Interest. For the term of this Agreement, no member, officer or employee of the Commission, during the term of his or her service with the Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

29.4 Conflict of Employment. Employment by the Consultant of personnel currently on the payroll of the Commission shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Consultant of personnel who have been on the Commission payroll within one year prior to the date of execution of this Agreement, where this employment is caused by and or dependent upon the Consultant securing this or related Agreements with the Commission, is prohibited.

29.5 Rebates, Kickbacks or Other Unlawful Consideration. Consultant warrants that this Agreement was not obtained or secured through rebates kickbacks or other unlawful consideration, either promised or paid to any Commission employee. For breach or violation of this warranty, Commission shall have the right in its discretion; to terminate this Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

29.6 Employment Adverse to the Commission. Consultant shall notify the Commission, and shall obtain the Commission's written consent, prior to accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against the Commission during the term of this Agreement.

30. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

31. Right to Employ Other Consultants. Commission reserves the right to employ other consultants in connection with the Project.

32. Governing Law. This Agreement shall be governed by and construed with the laws of the State of California. Venue shall be in Riverside County.

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33. Disputes; Attorneys' Fees.

33.1 Prior to either party commencing any legal action under this Agreement, the Parties agree to try in good faith, to resolve any dispute amicably between them. If a dispute has not been resolved after forty-five (45) days of good-faith negotiations and as may be otherwise provided herein, then either Party may seek any other available remedy to resolve the dispute.

33.2. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorneys' fees and, all other costs of such actions.

34. Time of Essence. Time is of the essence for each and every provision of this Agreement.

35. Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

36. Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:	**COMMISSION:**
Accenture Infrastructure and Capital Projects, LLC	Riverside County Transportation Commission
300 Spectrum Center Drive	4080 Lemon Street, 3rd Floor
14th Floor, Irvine, CA 92618	Riverside, CA 92501
Attn: Lucas Rathe	Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. mail, first class postage prepaid, and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

37. Conflicting Provisions. In the event that provisions of any attached exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services.

38. Amendment or Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

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39. Entire Agreement. This Agreement contains the entire agreement of the Parties relating to the subject matter hereof and supersedes all prior negotiations, agreements or understandings.

40. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

41. Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, shall survive any such expiration or termination.

42. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

43. Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

44. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

45. Subpoenas or Court Orders. Should Consultant receive a subpoena or court order related to this Agreement, the Services or the Project, Consultant shall immediately provide written notice of the subpoena or court order to the Commission. Consultant shall not respond to any such subpoena or court order until notice to the Commission is provided as required herein, and shall cooperate with the Commission in responding to the subpoena or court order.

46. Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein, without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

47. Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties, and shall not be assigned by Consultant without the prior written consent of Commission.

48. Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

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49. No Waiver. Failure of Commission to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

50. Electronically Transmitted Signatures; Electronic Signatures. A manually signed copy of this Agreement which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes. This Agreement may be signed using an electronic signature.

[Signatures on following page]

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SIGNATURE PAGE
TO
PROFESSIONAL SERVICES AGREEMENT

IN WITNESS WHEREOF, this Agreement was executed on the date first written above.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION By: _____ Aaron Hake Executive Director *Approved as to Form:* By: _____ Best, Best & Krieger LLP General Counsel	**ACCENTURE INFRASTRUCTURE AND CAPITAL PROJECTS, LLC.** By: _____ Signature _____ Name _____ Title **ATTEST:** By: _____ Its: _____

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* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to RCTC.

EXHIBIT "A"

SCOPE OF SERVICES

[attached behind this page]

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EXHIBIT "A"
SCOPE OF SERVICES

Services will include pre-construction planning and specifications and estimate (PS&E) review; bid analysis and award recommendation; construction inspection; preparation of progress payments and change orders; schedule and claim analysis; Contractor interface and contract administration; office engineering; and other assorted duties as appropriate for construction management, as well as materials testing, construction surveying, environmental monitoring and project closeout tasks. The project's final design is scheduled for completion in fourth quarter 2025.

Construction Management Schedule (Tentative)

The anticipated construction management schedule for the project is shown below:

CM Advertisement Date:	December 22, 2025
SOQs Due:	January 27, 2026
Recommendation to Committee:	March 24, 2026
Anticipated Commission Award:	April 8, 2026
CM Notice to Proceed	May 06, 2026
Construction Contract Advertisement	June 29, 2026
Construction Contract Start	November 05, 2026
Anticipated Construction Contract Completion	September 07, 2027
Complete Close-Out	March 10, 2028

Performance Requirements

Construction Management: OFFEROR shall furnish a Project Manager or a Resident Engineer as a single point of contact for this agreement and to coordinate OFFEROR's operations with COMMISSION. The single point of contact shall be responsible for all matters related to OFFEROR's personnel and operations. The Resident Engineer shall be in responsible charge of construction activity within the Project. The Resident Engineer shall be a Civil Engineer, registered in the State of California. Other Assistant Resident Engineers may be assigned to each specific project responsibilities as needed. If the Resident Engineer is not also a registered Landscape Architect, a registered Landscape Architect shall be assigned to the project responsible for daily on-site inspections and decisions regarding planting and irrigation systems that comprise a portion of the Project.

The Project Manager and Resident Engineer can be proposed as one combined position or two separate positions. The Project Manager position is not expected to be a full-time position if proposed as a separate position from the Resident Engineer.

The number of OFFEROR personnel assigned to the project will vary throughout the duration of the agreement. OFFEROR personnel shall be assigned, in varying levels of responsibility, as needed by the OFFEROR to meet the project schedule, project requirements, and construction activities.

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All overtime hours required by OFFEROR personnel shall be approved and authorized by COMMISSION prior each occurrence. OFFEROR shall exhaust every afford to minimize the overtimes charges. OFFEROR shall provide oversite during all hours worked by the construction Contractor. Hours worked at night to oversight construction activities will not require COMMISSION prior approval.

OFFEROR personnel shall be knowledgeable of and comply with all applicable local, state, and federal regulations related to construction and construction engineering. OFFEROR personnel shall cooperate and consult with COMMISSION, State, County, and City officials during the course of the Project. OFFEROR shall consult with and coordinate activities with third party stakeholders, property owners, agencies and utilities. OFFEROR personnel shall perform duties as may be required to assure that construction is being performed in accordance with the Project plans and specifications. OFFEROR personnel shall keep accurate and timely records and document all work performed by the Contractor and OFFEROR.

OFFEROR shall monitor for Contractor's compliance with the labor standards provisions of the contract and the related wage determination decisions of the Secretary of Labor.

OFFEROR personnel shall assist COMMISSION and local agencies in obtaining compliance with the safety and accident prevention provisions of the projects. Local agencies will retain jurisdictional control for traffic control.

All services required hereunder shall be performed in accordance with local agency standards and Riverside County Park and Open Space District (Park District), Orange County Public Works, Flood Control District and California Department of Transportation guidelines, regulations, policies, procedures, manuals, and standards, except as noted in the special provisions or superseded/augmented by Commission's procedures.

Provided below is a list of suggested core staffing positions. Proposer is not required to adhere to the suggested list but may propose as they believe warranted for the project. OFFEROR should provide the best qualified personnel to fulfill each position based on the scope of work required in Exhibit A.

1) Suggested Core Construction Management Staffing

   a. Project Manager/Resident Engineer PE *
   b. Assistant Resident Engineer/Lead Inspector *
   c. Civil/Roadway/Electrical Inspector
   d. Structure Representative PE
   e. Structures Inspector
   f. Office Engineer
   g. Labor Compliance Administrator
   h. Storm Water Inspector QSP, QSD
   i. Landscape Architectural Inspector, LA

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* Denoted as Key Personnel

Resume of key personnel shall be submitted to COMMISSION prior to assignment to the Project.

2) Support Services

a. Source Inspection
b. Surveys
c. Environmental Compliance
d. Biological Monitoring / Paleo / Bat Monitoring
e. Materials Testing
f. Drone Services
g. Crawling Camera/Video Inspection Services

Materials Testing: The number of field testing personnel assigned to the project will vary throughout the duration of the construction contract. OFFEROR personnel will be assigned as needed by the Resident Engineer to meet the schedule of the construction Contractor.

A field technician will be required throughout the construction contract period. At times, additional technicians may be required to provide support for on-going construction activities. The duration of assignments could vary from a minimum of a few days to the full term of the project. OFFEROR personnel will be available within two (2) days of written notification by COMMISSION.

It is the intent of COMMISSION to maintain a consistency of material testing quality throughout each phase of each project. OFFEROR is therefore encouraged to provide, wherever and whenever possible, the same field personnel for the duration of the project.

On days when work is not performed by the construction Contractor, such as rainy or unsuitable weather days, OFFEROR will not provide services unless authorized by the COMMISSION Construction Manager.

If a member of OFFEROR's personnel is on a leave of absence, OFFEROR's Project Manager / Resident Engineer shall provide an equally qualified replacement employee until the original member returns to work. The replacement employee will meet all the requirements of a permanently assigned employee.

All personnel will be knowledgeable of, and comply with, all applicable local, Caltrans, and federal regulations; cooperate and consult with COMMISSION and local agency officials during the course of the contract; and perform other duties as may be required to assure that the construction is being performed in accordance with permit requirements, the project plans and specifications. OFFEROR's personnel will keep records and document the work as directed by the Resident Engineer.

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OFFEROR personnel shall assist COMMISSION and local agencies in obtaining compliance with the safety and accident prevention provisions of the project. Local agencies will retain jurisdictional control for local traffic control.

All services required hereunder will be performed in accordance with local agency and Caltrans regulations, policies, procedures, manuals, and standards as modified by the Commission's General Conditions and procedures.

Construction Surveying: OFFEROR will furnish surveying crew(s) to perform construction surveys for the project. The number of survey crew(s) assigned to the project will vary throughout the duration of the construction contract. OFFEROR personnel will be assigned as needed by the Resident Engineer to meet the schedule of the construction contractor. Survey crews may be requested to perform tasks associated with Right of Way (ROW) or design verification.

It is the intent of COMMISSION to maintain a consistency of construction survey quality throughout each phase of each project. Therefore, OFFEROR is encouraged to provide the same field personnel for the duration of construction. It is important that the Field Party Chief(s) assigned to a project be completely familiar with the survey control and staking requirements established for the project.

Construction surveying will not be performed when conditions such as weather, traffic, and other factors prevent safe and efficient operation.

If OFFEROR's survey crew personnel assigned to the project is on a leave of absence, the Project Manager / Resident Engineer shall provide an equally qualified replacement(s) until the original employee(s) returns to work. The replacement will be required to meet all the requirements of the permanently assigned employee.

OFFEROR personnel will:

- Be knowledgeable of, and comply with all, applicable local, state, and federal regulations.
- Cooperate and consult with COMMISSION officials during the course of the contract.
- Perform duties as may be required to assure construction is performed in accordance with the project plans and specifications.
- Keep contemporaneous records and document work as directed by the Resident Engineer.

All services required hereunder will be performed in accordance with Caltrans regulations, policies, procedures, manuals, and standards as modified by the Commission's General Conditions and procedures.

Other supporting Services: OFFERER shall provide qualified and experienced personnel to oversee and implement source inspection, environmental monitoring services, biological, Paleontological, Bat monitoring services and drone/crawling camera/video inspection

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services.

Duties and Responsibilities

1. Pre-construction Services

A. Plan Review

OFFEROR shall review construction contract documents prior to construction. Services include review of plans, specifications, technical reports, Resident Engineer's pending files, and associated items in order to verify completeness and consistency throughout the Project. OFFEROR shall perform an Office Engineer's type review checking for quantity discrepancies and consistency between plans, specifications and pay items. OFFEROR's shall perform a constructability review including a review of various discipline plans (e.g., layout, drainage, bridge, landscaping, electrical, etc.) for conflicting or missing information, a better way to build the project, opportunities for environmental stewardship, innovation and safe construction.

B. Schedule

OFFEROR shall review the proposed Project schedule, compare it to the Project plans and specifications, and provide recommendations to COMMISSION, as appropriate, to ensure efficiency of Contractor and OFFEROR operations and safe and expeditious completion of the Project.

C. Budget

OFFEROR shall review the Project estimate and provide recommendations to COMMISSION, as appropriate, to ensure efficient utilization of funds and control of project costs.

2. Bid Process

A. Bid Documents

OFFEROR shall assist COMMISSION, as requested, with the following tasks:

1) Review of bid documents
2) Review bid questions and draft responses
3) Prepare bid tabulations

B. Pre-construction Meetings

OFFEROR shall assist COMMISSION in conducting pre-construction meetings, as required, with all involved parties on the Project. Parties may include, but are not limited to, the Contractor, the Design Engineer, Caltrans, County, Cities, Utility companies, and

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developers.

C. Contract Award

OFFEROR shall assist COMMISSION, as requested, with the following tasks:

1) Review bids for completeness and responsiveness
2) Perform bid analysis
3) Check Contractor references, licenses, insurance, and sureties
4) Coordinate with prospective Contractor for award of construction contract.

3. <u>Project Administration</u>

A. OFFEROR shall administer the project construction contract using Caltrans Construction Manual as a guideline.

B. OFFEROR shall conduct regular project coordination meetings with Contractor, COMMISSION, local agencies, and design engineer, as appropriate.

C. OFFEROR shall prepare a contractor progress payment forecast curve for the entire project duration (cash flow), complete monthly Contractor progress payments and maintain payment records and supporting documentation. All progress payments shall be reviewed by COMMISSION for approval.

D. OFFEROR shall establish and maintain a web based platform to control all project correspondence including transmittals and submittals to allow access to the project information between the field and office teams and maximize efficient communication. Project record keeping shall include, but is not limited to, RE and Assistant RE daily reports, correspondence, memoranda, contract documents, requests for information (RFIs), change orders, claims, COMMISSION and engineer directives, meeting minutes, shop drawings, supplementary drawings, review and approval of submittals, schedule reviews and preparation of weekly working day statements, quantity calculations and/or documented field measurement/count and Daily Extra Work Reports that support progress payments. OFFEROR shall maintain a record of the names, addresses, email addresses, and telephone and fax numbers of the Contractors, subcontractors, and principal material suppliers.

E. OFFEROR shall establish and maintain a filing system for the Project using the Caltrans Construction Manual as a guideline. OFFEROR shall transmit all Project records to the COMMISSION using an electronic transfer and collection system.

F. The COMMISSION is committed to advancing environmental sustainability and reducing carbon emissions. To support this mission, OFFERER is required to adopt a paperless approach for all project records. This means that all records must be created and maintained electronically using digital software or programs. Project

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records should be high-quality, searchable, and directly generated from electronic sources. OFFERER is expected to minimize, and where feasible, eliminate the use of scanned documents, all signatures must be obtained electronically or digitally to further reduce the environmental impact and maintain the document quality.

G. OFFEROR shall monitor Contractors' construction schedules on an ongoing basis and alert COMMISSION to conditions that may lead to delays in completion of the Project.

H. OFFEROR shall prepare and submit a Weekly Report and Monthly Report for the project. The Monthly Report shall describe construction activity, traffic and site safety incidents, accomplishments, issues and status of submittals, RFIs, Change Orders and the project budget and schedule status against the approved Baseline Schedule. Construction photos shall be submitted with each weekly and monthly report.

I. OFFEROR shall review and ensure compliance with environmental requirements.

J. OFFEROR shall assure that the Project meets all provisions of the COMMISSION and Caltrans Quality Assurance Program Manual. OFFEROR shall prepare and submit a project-specific Quality Assurance Plan (QAP) to the COMMISSION for review and approval. The QAP shall be reviewed quarterly and updated as necessary. All OFFEROR's project personnel shall indicate their review of the QAP by signature.

K. OFFEROR shall review Contractors' certified payroll records and other labor compliance records and assure the construction Contractor's compliance with Contract requirements.

L. OFFEROR shall monitor and maintain records to assure that the construction Contractor complies with all provisions of the Storm Water Pollution Prevention Plan (SWPPP).

M. OFFEROR shall assure that the Project meets all applicable regulations of the Air Quality Management District (AQMD).

N. OFFEROR shall prepare and submit all water discharge, ad-hoc and annual reports to Waterboard stormwater multiple application and report tracking system (SMARTS).

4. Construction Coordination

A. OFFEROR shall provide a minimum of one qualified Project Manager / Resident Engineer, as needed to effectively manage the Project.

B. OFFEROR Project Manager/ Resident Engineer shall act as the prime point of contact between Contractor, COMMISSION, OFFEROR's construction surveyor,

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OFFEROR's materials inspector, OFFEROR's environmental services and utility companies. OFFEROR may, when requested by COMMISSION, act as point of contact between design engineers, cities, county and the public.

C. OFFEROR shall maintain regular contact with COMMISSION's Construction Manager.

D. OFFEROR shall coordinate relocations and arrangements for power for the site with utility companies and their designees.

E. OFFEROR shall review Project plans and special provisions for possible errors and deficiencies prior to construction of any specific element and report such findings to COMMISSION. Should COMMISSION determine that changes are necessary, OFFEROR shall process and implement change orders in accordance with contract documents.

F. OFFEROR shall provide all required monitoring, coordination, and tracking of construction progress to ensure the Project proceeds on schedule and according to the order of work in the plans and special provisions. OFFEROR shall expedite work, as required, to maintain schedule in conjunction with the overall construction staging program.

G. OFFEROR shall review shop drawings, coordinating with the Source Inspection Project Manager and Division of Structures as appropriate. OFFEROR shall coordinate resolution of Requests for Information (RFI) with the Commission's designer and communicate actions and status with the Commission's Construction Manager. OFFEROR shall log and track all submittals and requests.

H. OFFEROR shall provide a qualified Storm Water Pollution Prevention Plan (SWPPP) coordinator who shall review Contractor-prepared SWPPP and coordinate approval with COMMISSION. OFFEROR shall cooperate with monitoring agency inspections and field reviews.

I. OFFEROR shall coordinate the implementation of any changes with the Construction Manager and the design engineer. All change orders shall be prepared using Commission's format and procedures. All change orders will be submitted to Caltrans (if on the State Highway System) and the Commission for approval.

J. OFFEROR shall review and approve falsework, shoring and other temporary work plans.

K. OFFEROR shall review and approve Traffic Control Plans and forward to local jurisdictions for approval as necessary.

L. OFFEROR shall coordinate all Project construction activities with other ongoing projects within and adjacent to the Project limits.

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M. OFFEROR shall coordinate Project construction activities with operating Railroads, as necessary.

5. Construction Inspection

A. OFFEROR shall coordinate all required inspections necessary for the Project. OFFEROR shall ensure that appropriate City, County and other local agencies are notified and present as required throughout the Project. OFFEROR shall notify COMMISSION immediately regarding any directives, recommendations, notices, etc. received from agencies other than COMMISSION before taking action.

B. OFFEROR shall perform and document daily on-site inspections of the progress and quality of construction to determine if the work being performed is in general conformance with the contract documents, permits, all applicable laws, codes, and ordinances.

C. OFFEROR shall exercise reasonable care and diligence to discover and promptly report to COMMISSION any and all defects or deficiencies in the materials or workmanship used in the Project.

D. OFFEROR personnel assigned to the Project shall be thoroughly familiar with County of Riverside Standards, Caltrans Standard Specifications, Caltrans Standard Plans, and Caltrans Erosion Control and Highway Planting requirements, Orange County Public Works Standard Plans, Standard Specifications for Public Works Construction (Greenbook) and California Manual on Uniform Traffic Control Devices. OFFEROR personnel shall have the ability to read and interpret construction plans and specifications. OFFEROR personnel shall also have knowledge of State of California Construction Safety Orders (CalOSHA) and traffic control practices as specified in the Work Area Traffic Control Handbook (WATCH). In addition, OFFEROR personnel shall be familiar with the construction requirements of Storm Water Pollution Prevention Program.

E. Assignments to be performed by OFFEROR personnel shall include, but are not limited to, the following:

1) Earthwork inspection including source and quality of imported and/or fill material and compaction; subgrade and paving inspection including checking alignment and grade; structure work inspection including foundation construction (piling), structure element formwork, reinforcing and prestressing steel installation, concrete placement; subsurface and finish drainage system inspection; signing and striping inspections, electrical and highway traffic system inspection, landscape hardscape, soil amendment, SWPPP compliance; planting and irrigation installation inspection; fencing; temporary and permanent traffic barriers and device inspection; monitor construction traffic control, material haul routes, and detours, and any other duties that may be required to determine that construction of the Project is being performed in accordance with the contract documents.

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2) Identifying actual and potential problems associated with the Project and recommending sound engineering solutions.

3) Arrange testing in accordance with Caltrans highway materials testing and planting procedures, unless otherwise specified. Arrange for necessary corrective work, as required. Provide comprehensive materials records including materials sources, inspection & test results and documented compliance with specifications.

4) Maintaining awareness of safety and health requirements. Monitoring Contractors' compliance with applicable regulations and construction contract provisions for the protection of the public and Project personnel.

5) Preparing complete and accurate daily reports, calculations, project records, payment quantity documents, reports, and correspondence related to Project activities. Documents shall be sufficient to support actual cost of force account work.

6) Preparing construction sketches, drawings, and cross-sections, as necessary.

7) Keep records of all deviations from the approved plans to assist the Design Engineer in the preparation of as-built plans. Provide final clearance dimensions from roadways to bridge soffits.

8) Providing inspections for environmental compliance. Coordinate with third-party Consultant or stake holders for special monitoring or inspections and disposal of hazardous material, if required.

9) Maintaining awareness of water discharge requirements. Monitoring Contractors' compliance with applicable regulations and construction contract provisions.

10) Monitoring Contractors' compliance with applicable regulations required by AQMD.

11) Coordinate Contractor's lane traffic closures with Caltrans, County, City and the Sheriff including, when necessary, the provision of CHP services for COZEEP operations. Maintain records of COZEEP participation to support the Commission's payment process for the CHP.

12) Monitor work associated with Temporary Construction Easements and communicate with land owners through the Commission's representatives.

13) Other duties as may be required or reasonably requested.

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6. Project Support Services

A. Construction Surveys

OFFEROR shall perform construction surveying services, field calculations, and home office calculations to support construction of the Project. OFFEROR may be requested to review available survey data, construction plans, and right-of-way plans to confirm compatibility and to identify discrepancies prior to and during construction of proposed projects. The survey effort shall assist the Construction Management team in all phases of construction. The Resident Engineer will assign survey work by issuing a "Request for Survey Services". Requests may include, but not be limited to, the following types of surveys and related services:

1) Construction Surveys

Survey calculations and adjustments shall be performed with established and computed coordinates based on the California Coordinate System.

Cross-section data collection shall be performed by conventional and terrain line interpolation survey methods.

Survey data will include topography, cross-section, and other survey data in computer formats compatible with the Caltrans computer survey and design systems.

Prepare and maintain survey documents. Survey documents include survey field notes, maps, drawings, and other survey documents.

Perform construction staking, including but not limited to:

- Utility locations;
- Clearing limits;
- TCE and R/W limits;
- Slope staking;
- Rough grade;
- Finish grade;
- Storm drain, sanitary sewer, and irrigation system;
- Drainage structures;
- Curb, gutters, sidewalk;
- Horizontal and vertical control for structures and portions of structures (bents, abutments, wingwall);
- Global Positioning Satellite (GPS) equipment shall be made available if required by the COMMISSION
- Monitor foundations for settlement, if required;
- Provide measurements to support earthwork quantity calculations.

2) Right of Way Lines

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Existing right of way will be established from Local Agency's record information and existing monumentation.

- Right of way monumentation shall be renewed and restored in accordance with Section 10.4 of the Caltrans "Survey Manual" and the State of California Land Surveyor's Act.

- Corner records and records of surveys shall be prepared and filed in accordance with the applicable standards and the State of California Land Surveyor's Act.

- Perpetuate existing monumentation. Includes restoring, renewing, referencing, and resetting existing boundary related monumentation. In addition, stake areas where construction disturbs the existing right of way, preparing and filing required maps and records.

- Right of Way Surveys. Includes research and preparation filing of required maps and records. In addition, locate and set monuments for right or way and staking for right of way fences.

- Final monumentation. Includes setting of centerline points of control upon completion of construction.

3) Special Design – Data Surveys

Includes drainage, utility, and surveys required for special field studies.

B. Materials Testing and Geotechnical Services

OFFEROR will provide experienced personnel, equipment, and facilities to perform various construction materials sampling and testing. Material plant, Laboratory, and field materials sampling, and testing will be used to ensure, concrete, hot mix asphalt, pavement, and embankment construction work conforms to California State Department of Transportation (Caltrans) standards, specifications, and special provisions for material quality and workmanship.

All field and laboratory testing shall be performed in accordance with California Test Methods.

OFFEROR will be responsible for the accuracy and completeness of all test data compilation and results.

C. Public Outreach

Public Outreach services will be provided by the COMMISSION under a separate contract.

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OFFEROR shall work directly with the COMMISSION'S public outreach provider throughout the course of the project to ensure all outreach goals and efforts are achieved.

D. Permits

- OFFEROR shall review the project for permit compliance and coordinate with COMMISSION and the design engineer to ensure that necessary permits are obtained.

- OFFEROR shall assist COMMISSION in the coordination, timely processing and verification of approval for all permits. OFFEROR shall maintain permits and permit documentation on site.

- OFFEROR shall prepare and submit all reports required by the permits to ensure timely closeout of the permits.

E. Drone Services for Construction Progress.

OFFEROR will provide:

- Weekly standardized video flight pattern that captures overall project area, potentially about 5 minutes of video;
- Special flight for detail up to a once a month basis as requested;
- A condensed 30 to 60 second drone video (MP4 or compatible);
- Side by side video comparisons of current drone video and preconstruction drone video at periodic milestones/ intervals;
- Still photos from video as needed;
- Video to be shown at weekly project meetings and made available per website.

F. Crawling Camera/Video Inspection Services

OFFEROR will provide:

- Crawling Camera and/or video inspection services for quality assurance, verification of existing conditions and/or any other inspection or investigative needs of the project for underground facilities or other inaccessible/restrictive locations.

7. Cost and Schedule

A. OFFEROR shall prepare and track the following:

1) Contract pay item quantities, materials-on-hand and progress payments
2) Extra work / Compensation adjustment payments
3) Contract change orders
4) Supplemental work items
5) Agency-furnished materials
6) Contingency balance
7) Project budget

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8) Anticipated final cost
9) Proactive schedule management

B. OFFEROR shall review and monitor Contractor's schedule and inform COMMISSION of any significant changes or deviations in the schedule.

C. OFFEROR shall provide and maintain a Project staffing plan of field office personnel. In cooperation with COMMISSION, the staffing plan shall be periodically updated to reflect Project progress and needs.

8. Contract Change Orders and Claims

A. OFFEROR shall manage and oversee the administration of the construction contract and change management process. Tasks include drafting, reviewing and responding to formal correspondence, evaluating change requests, drafting change orders and memorandums of negotiation, preparing independent cost estimates, reviewing and negotiating contractor cost proposals and time impact analysis, providing analysis and recommendations for contractual disputes, and ensuring overall compliance with the contract documents.

B. OFFEROR shall receive and evaluate requests for changes and/or substitutions by the Contractor. Contract Change Orders submitted to COMMISSION shall be accompanied by OFFEROR recommendations. Where applicable, OFFEROR shall convey proposed changes to design engineer, Caltrans Oversight Engineers or other project principals. If the requested changes are accepted, OFFEROR shall negotiate and prepare appropriate Contract Change Orders.

C. OFFEROR shall attempt to avoid all unnecessary Contract Change Orders. When a Contract Change Order is necessary, OFFEROR shall consult with COMMISSION prior to its preparation. Unless directed otherwise by COMMISSION, the preferred method of payment for Contract Change Orders should be as follows:

1. Agreed Price
2. Adjustment in compensation to a bid item
3. Time and materials or Force Account

D. OFFEROR shall attempt to identify all potential claims, track and monitor unresolved claims, and implement claims avoidance processes. OFFEROR shall assist COMMISSION, as requested, in the identification, resolution, and final disposition of claims filed by the Contractor or third parties against COMMISSION or the Project.

E. OFFEROR shall implement a bi-weekly change order meeting with COMMISSION staff and management to discuss and approach and issues of change orders.

9. Safety

In addition to the requirements specified elsewhere in this agreement, the following shall

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also apply:

A. OFFEROR shall implement a comprehensive safety program including preparation of a project-specific Accident/Illness Prevention Plan and conduct regular tail-gate safety meetings for OFFEROR personnel. OFFEROR shall provide a monthly report of traffic and site safety incidents, accidents and issues to the COMMISSION as part of the Monthly Report.

B. OFFEROR shall comply with State of California Construction Safety Orders and provisions of the Caltrans Construction Manual.

C. OFFEROR shall provide appropriate safety training for all OFFEROR field personnel.

D. OFFEROR shall provide all necessary safety equipment as required for OFFEROR personnel.

E. OFFEROR shall conduct and document a weekly safety walk through of the site. Attendees shall include the Resident Engineer and Contractors Construction Manager/ Project Manager. OFFEROR shall extend an invitation for this meeting to the RCTC Construction Manager.

F. OFFEROR shall establish a standard communication protocol to provide COMMISSION staff with necessary incident notification and reports and implement the communication protocol and requirement set forth in project crisis communication and emergency plan.

10. <u>Project Close Out</u>

A. OFFEROR shall prepare a list of items to be completed and/or corrected by the Contractor for final completion of the Project.

B. OFFEROR shall collect and furnish as-built information to the design engineer for preparation of as-built drawings including utility locations, electrical system element locations and system requirements, prestressing drawings and pile logs, as applicable.

C. OFFEROR shall review and verify completeness of as-built drawings.

D. OFFEROR shall conduct a final walk-through with COMMISSION, Caltrans, Local Agencies, Contractors, and design engineers.

E. OFFEROR shall prepare final construction reports including the Project Completion Report in the format and content requirements set forth by the COMMISSION. Completion report shall include

F. OFFEROR shall prepare and deliver to COMMISSION all project files in electronic format.

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G. OFFEROR shall assist COMMISSION and Contractor in obtaining final release of all project permits.

H. OFFEROR shall prepare and submit on behalf of COMMISSION all documents and reports required to close out the construction and environmental permits applicable to the project.

Deliverables.

Notwithstanding any requirement set forth in Caltrans Construction Manual, Local Assistance Procedures Manual, COMMISSION's Quality Assurance Plan, applicable Cooperative and/or Fundings Agreements, Permits' requirements, OFFEROR shall furnish as part of project administration and closeout the following documents:

A. Construction Records

OFFER shall use the sixty-three (63) files categories set forth in Caltrans Construction Manual, Chapter 5, "Contract Administration", to maintain all projects electronic records. The records shall include but are not limited to the following:

a. Inspector daily reports, extra work diaries, Landscape Architect, and Resident Engineers' daily diaries.

b. Monthly Project Activity Summary Reports. Thie Monthly project activity shall include tracking of the following tasks, and shall allow COMMISSION to convert each task to full time equivalent for evaluation and analysis:

Task 01: Management and Administration
Task 02: Constructability Review
Task 03: Bid Processing
Task 04: Pile Drilling, shoring, casing, structural concrete
Task 05: Excavation and Backfill, include quantities of the earthwork and number of tests performed
Task 06: Retaining walls
Task 07: Bridge superstructure
Task 08: Pavement, including number of test
Task 09: Labor compliance
Task 10: Environmental Monitoring
Task 11: Closeout

c. Separate Structures and Roadway Weekly Summary Reports.

d. Monthly Contractor progress payments, back-up documentation, and Contractor payment records.

e. Contractor final payment documents, delivered to COMMISSION no later

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than ten (10) working days after acceptance by COMMISSION of the completed construction project.

f. Final acceptance and relief of maintenance from project stakeholders.

g. Project Completion Report.

h. Project History File per Caltrans requirements.

i. All project files, project reports, correspondence, memoranda, shop drawings, project logs, schedule analyses and weekly working day statements, change order data, claims and claim reports, and Contractor payment records.

j. All material test results shall be provided in accordance with the applicable Standard Specifications and Special Provisions, and test methods. Failing tests shall be immediately reported to the Resident Engineer or Structures Representative. All test results shall be recorded on the appropriate forms. The test documents will be legible and show the identity of the tester where appropriate. A notebook containing all results will be kept. All test equipment shall be calibrated per California Test requirements and regularly verified.

k. All construction electronic records, delivered to COMMISSION no later than ten (10) working days upon COMMISSION request or after obtaining the following, whichever occur first:

- Final Pay Estimate due to Contractor
- Final Change Order for Reconciliation of all Bid Items and Change Orders

B. Survey Documents

a. Unless otherwise specified in the survey request, the deliverables shall conform to the following:

1. Survey points, lines, and monuments shall be established, marked, identified, and referenced as required by survey request and requirements herein.

2. Survey notes, drawings, calculations, and other survey documents and information shall be completed as required by the survey request and the requirements herein.

b. All original survey documents resulting from this contract, including original field notes, adjustment calculations, final results, and appropriate intermediate documents, shall be delivered to the Resident Engineer and shall become the property of COMMISSION. A copy of all survey documents furnished by COMMISSION shall be retained by OFFEROR for future reference.

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c. When the survey is performed with a total station survey system, the original field notes shall be a hard copy in a readable format of the data (observations) as originally collected and submitted by the survey party. The hard copy shall be signed by the Party Chief. If the Party Chief is not licensed, the person in "responsible charge" will be required to sign.

Survey deliverables shall follow the format specified below:

- Horizontal Control
- Alpha numeric electronic copy point listing with adjusted California Coordinate System northing and eastings and the appropriate descriptions.
- Vertical Control
- Alpha numeric electronic copy benchmark listing with adjusted elevations compatible with the design datum.
- Topography
- Alpha numeric electronic copy listing, drawing, and computer aided drawing and design (CADD) digital drawing. The CADD drawing shall be compatible with the systems utilized by Caltrans.

Data collection method used to collect cross-section data and the coding (feature description) of terrain data for cross-sections shall conform to the survey request requirements. Deliverables shall depend on the data collection method as follows:

- Conventional Cross – Sections (each cross – section):
  For each cross - section and alpha numeric listing, a hard copy drawing, and a computer formatted file compatible with the systems utilized by Caltrans.

- Terrain Line Interpolation Cross – Section Data (each terrain line interpolation survey):
  Terrain line interpolation cross – sections shall include an alpha numeric listing, a hard copy plan view drawing of the terrain lines, and a computer input file. The computer input file shall be provided in a format compatible with the systems utilized by Caltrans.

d. Data Collector Data
If specified in the survey request, the raw data from the data collector shall be provided in a format conforming to the survey request requirements

e. Other
As specified in the survey request.

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C. Payroll Documents

a. Certified payrolls and fringe benefit statements for all employees, OFFEROR and Contractor, who are subject to the State and/or Federal prevailing wage rates.

b. Certified payrolls documents shall be kept separately and shall not transferred to COMMISSION with other documents.

c. If the Contractor is not using approved labor compliance software, then OFFEROR shall coordinate with the Contractor to use electronic media to review and store the certified payroll. OFFEROR shall propose standard file name which will allow tracking each category of labor compliance documents.

Equipment and Materials to be provided by OFFEROR

1. OFFEROR will provide office space, telephones, desks, chairs, computers, and appropriate office equipment (making accommodation for the COMMISSION if requested).

2. OFFEROR shall provide all necessary equipment including software, materials, supplies, miscellaneous tools, and safety equipment required for its personnel to perform the services accurately, efficiently, and safely. Only those items listed in Exhibit C, "Compensation Provisions" OFFEROR Cost Proposal, shall be reimbursed by COMMISSION.

3. OFFEROR personnel shall provide vehicles for field personnel suitable for the location and nature of the work involved. Vehicles shall be equipped with flashing yellow lights, either permanently or temporarily affixed.

4. OFFEROR personnel shall be provided with a mobile radio, cellular phone, or other means to assure full-time communication. If a radio system is used, OFFEROR shall provide a base station at the field office.

5. OFFEROR personnel shall be provided with all applicable standard plans, specifications, and other standards as appropriate.

6. For Materials Testing, OFFEROR and its staff shall be fully equipped at all times to perform the services required, including but not limited to the following:

a. An on-site mobile laboratory or laboratory in close proximity to the project will be required. The type and location of the lab should be such that it can meet the needs of the project in an efficient, time effective manner. The laboratory shall be fully staffed, equipped, and supplied to conduct all required soils, materials, and concrete breaking tests in a timely manner.

b. OFFEROR's personnel will be provided with radios, mobile phones, or other

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means to assure full-time communication. OFFEROR vehicles will have flashing lights, visible from the rear, with a driver control switch. Vans without side windows will not be used. COMMISSION furnished magnetic logos will be affixed to each side of the vehicle at all times the vehicle is being used for the work under this agreement.

Each vehicle shall be fully contained with all necessary equipment and supplies necessary to perform the field sampling and tests required.

c. Field personnel will be provided with all necessary safety equipment to permit work to be performed safely and efficiently within operating highway and construction zone environments.

d. All equipment to be calibrated as per Section 3-10 and 3-11 of Caltrans' Quality Assurance Program Manual.

7. For construction surveying, OFFEROR and staff shall have adequate equipment and supplies to complete the required survey work. Equipment and supplies shall, include, but not be limited to:

a. Survey vehicles

Survey vehicles will be suitable to perform the required work in varying terrain and conditions encountered on the project. Vehicles shall be fully equipped with all necessary tools, instruments, supplies, and safety equipment required to perform the work accurately, efficiently, and safely. Vehicles shall be equipped with a flashing yellow beacon light.

b. Data Processing Systems

Data processing systems shall include hardware and software to:

- Performing survey and staking calculations from the design plans and specifications;
- Reduce survey data collected with conventional and total station survey systems;
- Perform network adjustments for horizontal and vertical control surveys;
- Format survey data to be compatible with the Caltrans computer survey and data system.

c. Drafting equipment and supplies.

d. Digital calculators.

e. Hand tools as appropriate for the requested survey work.

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f. Traffic cones (minimum 25). Traffic cones shall be 28 inches in height (minimum).

g. Traffic control devices as required to perform the requested survey work. Traffic control devices include signs, sign bases, flags, and hand held signs.

h. Leveling instruments and equipment:

- Self-leveling level. Precision: standard deviation in one mile of double run leveling 0.005 feet or less.
- Suitable level rods for the work to be performed.

i. Distance measuring instruments and equipment:

- Electronic distance measurer (EDM). Precision: standard deviation 3 mm plus 3 PPM, or less; Range: Minimum one mile under average atmospheric conditions.
- Prisms, sufficient to perform the required work.
- Tapes; steel, cloth.

j. Angle measuring instruments and equipment:

- Theodolite for non-control surveys; Precision: direct circle reading to three seconds, or equivalent, horizontal and vertical.
- Targets as required to perform the work.

k. When required for efficient survey operations, total station survey systems consisting of an electronic angle measuring instrument, EDM, and electronic data collector shall be provided. The angle measuring instruments and EDM shall conform to the requirements for the equipment previously listed.

l. Radio or cellular communications equipment for communication between field office and field crews.

m. Caltrans manuals, standards, forms, and other policies and procedures to be followed to perform the required work.

Materials to be Furnished by Commission

1. COMMISSION will provide electronic copies of all Project construction documents including plans, special provisions, reports, designer prepared resident engineer files, and contracts.

2. COMMISSION will provide electronic copies of all previously secured permits and Project authorizations.

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Standards

All construction inspection, surveys, materials sampling and testing, and contract administration shall be in accordance with the Contract documents and current Manuals including:

1. Construction Manual and its revisions;

2. Bridge Construction Records and Procedures Manual;

3. Quality Assurance Program Manual;

4. Manual of Traffic Controls for Construction and Maintenance Work Zones;

5. Caltrans Standard Specifications and Standard Plans;

6. Caltrans Storm Water Pollution Prevention Plan (SWPPP) and Water Pollution Control Program (WPCP) Preparation Manual;

7. Manual of Test (3 volumes);

8. Survey Manual;

9. District 8 Standard Staking Procedures Manual;

10. United States Army Corps of Engineers permit requirements.

11. Orange County Public Works Standard Plans

12. Standard Specifications for Public Works Construction

13. California Manual on Uniform Traffic Control Devices

14. Work not covered by the manuals shall be performed in accordance with accepted professional standards.

Surveys performed by OFFEROR shall conform to the requirements of the Land Surveyor's Act. In accordance with the Land Surveyor's Act, "responsible charge" for the work shall reside with the Licensed Land Surveyor or a pre-January 1, 1982, Registered Professional Civil Engineer in the State of California.

Unless otherwise specified in the survey request, control surveys shall conform to second order (modified) accuracy standards as specified in the Caltrans "Survey Manual".

Additional standards for specific survey work may be included in the applicable request for survey. Such standards supplement the standards specified herein. If additional standards conflict with the standards specified herein, the "Survey Request's" standard shall govern.

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The Resident Engineer and COMMISSION will decide all questions which may arise as to the quality or acceptability of deliverables furnished and work performed for this agreement.

Any OFFEROR employee who does not perform adequately will be replaced if directed by the COMMISSION Construction Manager.

Availability and Work Hours

The typical workday includes all hours worked by COMMISSION's construction Contractor. The construction Contractor's operations may be restricted to specific hours during the week, which will become the normal workday for OFFEROR's personnel. On days when work is not performed by the construction contractor, such as rainy or unsuitable weather days, OFFEROR services will not be provided unless authorized by the COMMISSION Construction Manager.

Unless otherwise directed by COMMISSION, the normal work week will consist of 40 hours. From time to time, overtime may be required. However, overtime will be worked only when approved in writing by COMMISSION.

Limitations to Authority

OFFEROR does not have the authority to:

1. Authorize deviations from the contract documents.

2. Approve substitute materials or equipment; except as authorized in writing by COMMISSION.

3. Conduct or participate in tests or third party inspections; except as authorized in writing by COMMISSION.

4. Assume any of the responsibilities of the Contractors, Contractors' Superintendent, or subcontractors.

5. Exercise control over or be responsible for construction means, methods, techniques, sequences, procedures, or safety precautions.

6. Communicate directly with subcontractors or material suppliers without the prior consent of the Contractor.

7. Verbally authorize or approve change orders or extra work for the Project.

8. Offer or receive incentives, inducements, or other forms of enumeration to or from the Contractor to perform services or work outside the terms of any executed contracts for this Project.

Draft

Third Party Relationships

This Agreement is intended to provide unique services for a specific project. In the development of the Project, COMMISSION has worked closely with various agencies and others in the preparation of the construction documents and other Project related materials. COMMISSION, however, is solely responsible for and will be the sole point of contact for all contractual matters related to the Project. OFFEROR shall take direction **only** from COMMISSION and shall regularly inform **only** COMMISSION of Project progress, outstanding issues, and all Project related matters.

During the course of the Project, OFFEROR may find occasion to meet with City representatives, the design engineer, Project Consultants, or other third parties who have assisted with the Project. These entities may, from time to time, offer suggestions and/or recommendations regarding the Project or elements of the Project. While COMMISSION enjoys a close relationship with and has considerable confidence in the capabilities of these other parties, OFFEROR shall not act on any suggestions, solicited or unsolicited, without obtaining specific direction from COMMISSION. All oral and written communication with outside agencies or OFFERORs related to the project shall be directed only to COMMISSION. Distribution of Project related communication and information shall be at the sole discretion of COMMISSION representatives.

Construction Site Safety

In addition to the requirements specified elsewhere in this agreement, the following also will apply:

1. OFFEROR will conform to the safety provisions of the Caltrans Construction Manual.

2. OFFEROR's field personnel will wear white hard hats with proper suspension, orange vests with reflective tape, sleeved shirt, long pants, and leather boots with ankle support and rubber soles at all times while working in the field.

3. OFFEROR will provide appropriate safety training for all OFFEROR's personnel.

4. All safety equipment will be provided by OFFEROR.

Basis for Survey and Monument Staking

COMMISSION will designate the existing horizontal and vertical control monuments that are the basis of OFFEROR performed surveys. COMMISSION will provide the California Coordinate System values and/or elevation values for these monuments. OFFEROR shall adjust OFFEROR performed surveys to be the designated control monuments and the values.

Monuments established by OFFEROR shall be marked by OFFEROR with furnished disks, plugs, tags. In addition, OFFEROR shall identify OFFEROR established monuments by tagging or stamping the monuments with the license or registration number of OFFEROR'S surveyor who is in "responsible charge" of the work.

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Personnel Qualifications and Responsibilities

The quantity and qualifications of field personnel to be assigned will be determined by the scope of the Project and the degree of difficulty of required tasks to be performed. All personnel and personnel assignments shall be subject to approval by COMMISSION.

Draft

EXHIBIT "B"

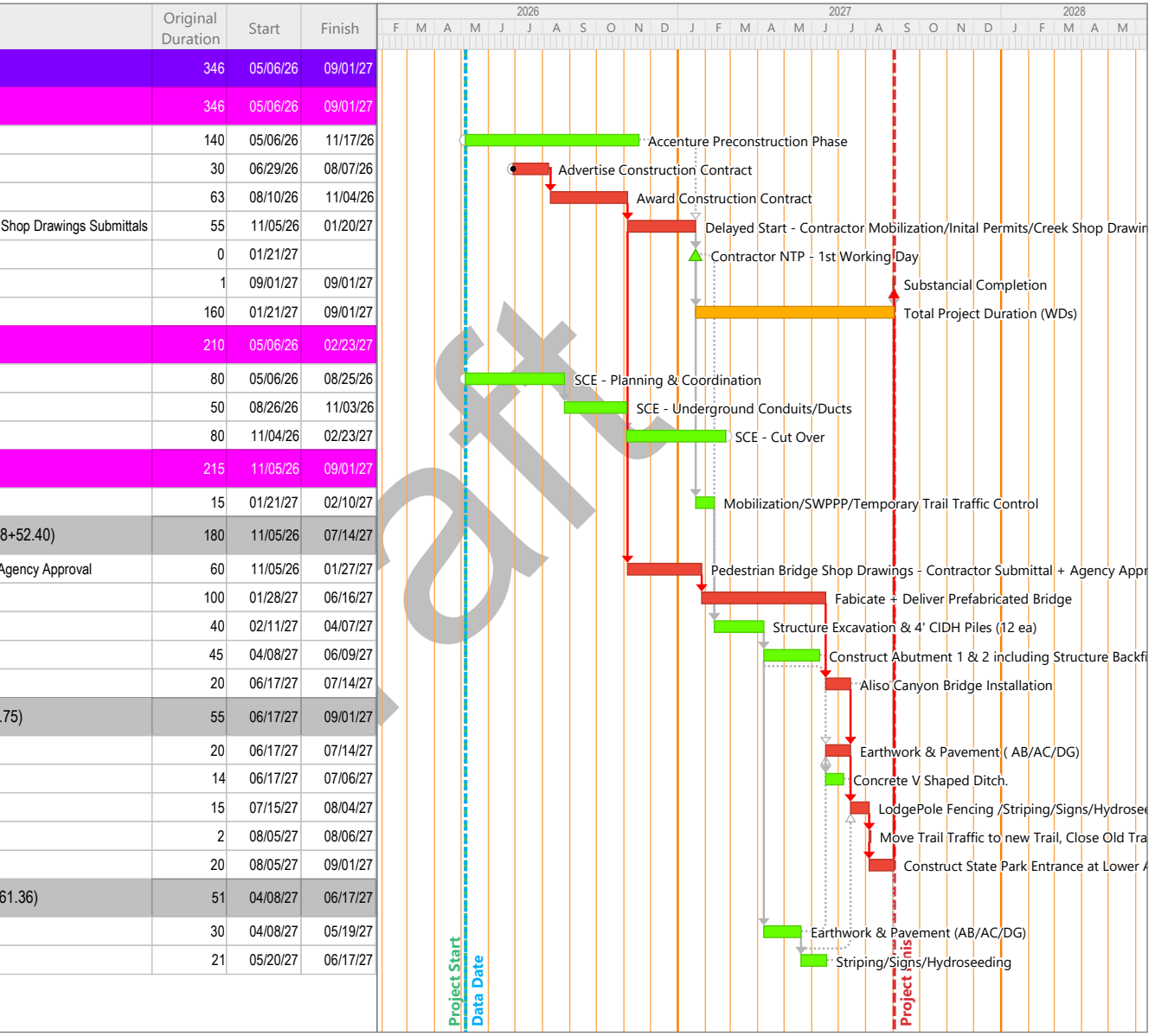
SCHEDULE OF SERVICES

[attached behind this page]

Draft

4. PROPOSED SCHEDULE

ID	Description	Original Duration	Start	Finish
Santa Ana River Trail Phase 2 - Construction Schedule		346	05/06/26	09/01/27
General		346	05/06/26	09/01/27
10	Accenture Preconstruction Phase	140	05/06/26	11/17/26
20	Advertise Construction Contract	30	06/29/26	08/07/26
30	Award Construction Contract	63	08/10/26	11/04/26
40	Delayed Start - Contractor Mobilization/Inital Permits/Creek Shop Drawings Submittals	55	11/05/26	01/20/27
50	Contractor NTP - 1st Working Day	0	01/21/27	
60	Substancial Completion	1	09/01/27	09/01/27
70	Total Project Duration (WDs)	160	01/21/27	09/01/27
Utilty Relocations		210	05/06/26	02/23/27
300	SCE - Planning & Coordination	80	05/06/26	08/25/26
310	SCE - Underground Conduits/Ducts	50	08/26/26	11/03/26
321	SCE - Cut Over	80	11/04/26	02/23/27
Construction		215	11/05/26	09/01/27
85	Mobilization/SWPPP/Temporary Trail Traffic Control	15	01/21/27	02/10/27
Pedestrian Bridge at Aliso Canyon Creek (STA 51+53.93 to 58+52.40)		180	11/05/26	07/14/27
75	Pedestrian Bridge Shop Drawings - Contractor Submittal + Agency Approval	60	11/05/26	01/27/27
77	Fabicate + Deliver Prefabricated Bridge	100	01/28/27	06/16/27
79	Structure Excavation & 4' CIDH Piles (12 ea)	40	02/11/27	04/07/27
80	Construct Abutment 1 & 2 including Structure Backfill	45	04/08/27	06/09/27
90	Aliso Canyon Bridge Installation	20	06/17/27	07/14/27
Segment 1 - SART 2 Trail Improvements (51+53.93 to 85+51.75)		55	06/17/27	09/01/27
100	Earthwork & Pavement (AB/AC/DG)	20	06/17/27	07/14/27
110	Concrete V Shaped Ditch.	14	06/17/27	07/06/27
120	LodgePole Fencing /Striping/Signs/Hydroseeding	15	07/15/27	08/04/27
125	Move Trail Traffic to new Trail, Close Old Trail over Creek	2	08/05/27	08/06/27
127	Construct State Park Entrance at Lower Aliso Creek	20	08/05/27	09/01/27
Segment 2 - SART 2 Trail Improvements (114+00.00 to 125+61.36)		51	04/08/27	06/17/27
130	Earthwork & Pavement (AB/AC/DG)	30	04/08/27	05/19/27
140	Striping/Signs/Hydroseeding	21	05/20/27	06/17/27



SANTA ANA RIVER TRAIL PHASE 2
PROPOSED CONSTRUCTION SCHEDULE

accenture
Infrastructure & Capital Projects

1A

Draft

EXHIBIT "C"

COMPENSATION PROVISIONS

[attached behind this page]

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EXHIBIT "C"

COMPENSATION SUMMARY[1]

FIRM	PROJECT TASKS/ROLE	COST
	Prime Consultant:	
Accenture Infrastructure and Capital Projects, LLC	Construction Management Services	$1,094,059.87
	Sub Consultants:	
Atlas Technical Consultants,Inc.	Materials Testing	$109,317.48
Balk Biological, Inc.Environmental	Environmental Compliance/ Biologist/Paleo	$105,770.19
CL Surveying & Mapping, Inc.	Surveying	$78,307.34
Reddy Engineering Services,Inc.	NPEDS(SWPPP) Compliance	$55,470.93
ZT Consulting Group, Inc.	Source Inspection	$87,954.19
	TOTAL COSTS	**$1,530,880.00**

[1] Commission authorization pertains to total contract award amount. Compensation adjustments between consultants may occur; however, the maximum total compensation authorized may not be exceeded.

Draft

Agreement No. 15-67-059-02

SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING FOR COOPERATIVE PLANNING AND DEVELOPMENT OF THE SANTA ANA RIVER TRAIL IN RIVERSIDE COUNTY By and Between THE RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT And RIVERSIDE COUNTY TRANSPORTATION COMMISSION

THIS **SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING FOR COOPERATIVE PLANNING AND DEVELOPMENT OF THE SANTA ANA RIVER TRAIL IN RIVERSIDE COUNTY** ("Second Amendment"), dated as of January 9, 2018 is entered into by and between THE RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT, a special district created pursuant to the California Public Resources Code Div.5, Ch.3, Art.3, ("District"), and RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("RCTC"), a public agency under the authority of the laws of the State of California, sometimes collectively referred to herein as the "Parties".

RECITALS

A. The District and RCTC have entered into a Memorandum of Understanding For Cooperative Planning and Development of the Santa Ana River Trail in Riverside County, dated March 10, 2015 (the "Original Agreement"), pursuant to which District has retained the services of RCTC to provide project management services and contract administration services for the benefit of the Santa Ana River Trail project in Riverside County, more particularly described in the Original Agreement.

B. The District and RCTC have entered into a First Amendment to the Original Agreement, dated October 17, 2016, to amend the Original Agreement to allow RCTC to procure and provide management and contract administration for environmental, design, and right-of-way consultant services for an additional portion of the Santa Ana River Trail ("Trail"), generally identified as the portion of the Trail through the Green River Golf Course ("SART 2 Portion").

C. The Parties now desire to enter into this Amendment No. 2 to the Original Agreement to provide for RCTC to procure, subject to reimbursement from the District, preliminary engineering, environmental, and final design services for all portions of the Trail Project in Riverside County, rather than solely for the SART 2 Portion, and to increase the amount of the District deposit.

NOW THEREFORE, in consideration of the foregoing and the mutual promises herein contained, the Parties agree as follows:

SECTION 1. Section I.A.2 of the Original Agreement is hereby amended, in its entirety, to read as follows:

2. Subject to reimbursement by the District, function as the administering agent assisting the Lead Agency on procuring, contracting for, and managing all future consultant contracts related to the completion of the Trail in Riverside County including, but not limited to, the contract for construction management services, contracts for construction, and, as agreed upon by the Parties, contracts for design, environmental and right-of-way services; and

SECTION 2. Section I.A.6 of the Original Agreement is hereby amended, in its entirety, to read as follows:

6. Prepare the procurement documents for the construction services related to Trail completion and, as agreed upon by the Parties, prepare the procurement documents for the design, environmental and right-of-way services, in addition to the construction services. Provide a final review of the plans specifications and estimates included therewith. Provide the District with an opportunity to review and comment on the procurement documents, including the plans, specifications and estimates; and

SECTION 3. Section A(5) of Exhibit A of the Original Agreement is hereby amended, in its entirety, to read as follows:

A. RCTC agrees:

5. To receive and deposit a One Million Dollar ($1,000,000) advance from the District in an interest bearing account to be used for payments to contractors on the Trail Project, and for RCTC staff salaries and benefits, and other direct costs and related expenditures, as described above. Once the first payment is made to a contractor, to reimburse RCTC for staff salaries and benefits, or to reimburse RCTC for other direct costs or related expenditures, RCTC shall request reimbursements as provided herein so that a positive balance is consistently maintained in the Account. RCTC shall pay out the Account balance on final Trail project costs in place of requesting reimbursement from District when the outstanding costs do not exceed the balance in the Account. Once the Trail project is complete or the MOU has been

terminated by the Parties pursuant to the terms of the MOU, RCTC shall refund any unexpended funds to the District within ninety (90) days thereof.

SECTION 4. Section B(1) of Exhibit A of the Original Agreement is hereby amended, in its entirety, to read as follows:

B. District Agrees:

1. To provide a One Million Dollar ($1,000,000) advance for payments made by RCTC for the Trail project under this MOU.

SECTION 5. CONTINUING EFFECT. Except as amended or modified herein, all the terms of the Original Agreement, as previously amended, shall remain in full force and effect, provided that the provisions of this Second Amendment shall prevail over any inconsistency or conflicting provisions of the Original Agreement, as previously amended.

SECTION 6. SEVERABILITY. If any provisions of this Second Amendment shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Second Amendment, and all such other provisions shall remain in full force and effect.

SECTION 7. INCORPORATION OF RECITALS. The recitals set forth above are true and correct and are incorporated by reference as though fully set forth herein.

SECTION 8. GOVERNING LAW. This Amendment shall be governed by the laws of the State of California. Venue shall be in Riverside County.

SECTION 9. COUNTERPARTS. This Second Amendment may be signed in counterparts, each of which shall constitute an original.

[Signatures on following page]

SIGNATURE PAGE
TO
SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING
FOR COOPERATIVE PLANNING AND DEVELOPMENT
OF THE SANTA ANA RIVER TRAIL IN RIVERSIDE COUNTY
(Agreement No. 15-67-059-02)

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the dates written below.

DISTRICT
RIVERSIDE COUNTY REGIONAL
PARK AND OPEN-SPACE DISTRICT

By: Chuck Washington
Chairman, Board of Directors

Dated: JAN 09 2018

RCTC
RIVERSIDE COUNTY
TRANSPORTATION COMMISSION

By: for
Anne Mayer
Executive Director

Dated: 1-4-2018

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By:
Deputy

(Seal)

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By:
Synthia M. Gunzel
Deputy County Counsel

APPROVED AS TO FORM:

By:
Best Best & Krieger LLP
Counsel of Riverside County
Transportation Commission

AGENDA ITEM 7E

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	May 13, 2026
TO:	Riverside County Transportation Commission
FROM:	Budget and Implementation Committee Mina Kim, Planning and Programming Manager
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	Fiscal Year 2025/26 SB 821 Bicycle and Pedestrian Facilities Program Additional Funding Recommendations

BUDGET AND IMPLEMENTATION COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

1) Approve additional project awards for the Fiscal Year (FY) 2025/26 SB 821 Bicycle and Pedestrian Facilities (SB 821) program for an additional amount of $491,000, and a total amount not to exceed $7,770,863;
2) Direct staff to prepare and execute a memorandum of understanding (MOU) with the city of Eastvale and an amendment with the city of Jurupa Valley to outline the project schedules and local funding commitments; and
3) Authorize the Executive Director to execute the MOU and amendment with the local agencies, pursuant to legal counsel review.

BACKGROUND INFORMATION:

Each year, two percent of the Local Transportation Fund (LTF) revenue is allocated to bicycle and pedestrian facility projects through the Commission's SB 821 program. The Commission conducts a biennial call for projects to distribute SB 821 funds. On June 11, 2025, the Commission awarded SB 821 funding for 13 bicycle and pedestrian projects that received scores of 41 or higher, totaling $7,279,863, for the FY 2025/26 SB 821 Call for Projects cycle.

DISCUSSION:

On February 11, 2026, the Commission approved the FY 2025/26 mid-year revenue projections, which include LTF sales tax revenues. Per the projection, LTF revenues are $491,000 higher than the amount awarded in the FY 2025/26 SB 821 Call for Projects cycle. Rather than reserving the additional projected revenue to next year's FY 2027/28 SB 821 Call for Projects, staff reviewed the funding recommendation list to identify if the next highest-scoring projects could utilize the available funds.

The thirteenth project on the Commission's award list is the city of Jurupa Valley's Pedley Elementary School and Felspar Street Pedestrian Improvements project. The Commission did not have sufficient funds to cover Jurupa Valley's full request of $688,000. Jurupa Valley accepted a partial award of $535,975.70 and committed to delivering the project. With the increased LTF revenue, the Commission has sufficient SB 821 funds to fully fund Jurupa Valley's revised request ($535,975.70). Staff recommends an additional $152,024.30 to Jurupa Valley to fully fund the city's Pedley Elementary School and Felspar Street Pedestrian Improvements project.

After confirming that Jurupa Valley could accept the additional funds, staff contacted the next city on the Commission's list of awarded projects. The fourteenth project on the list is the city of Eastvale's ADA Pedestrian Safety Improvement Project. Eastvale originally requested $727,986 to reconstruct 82 and retrofit 76 Americans with Disabilities Act (ADA)-compliant ramps throughout the city. The remaining $338,975.70 of SB 821 funds is approximately 53 percent of Eastvale's original funding request. City staff indicated the project scope would need to be revised in order to accept a partial award. Eastvale proposes to reduce the original project scope from reconstructing 82 ADA ramps to 32 ADA ramps, and from retrofitting 76 ADA ramps to 40 ADA ramps, with the total project cost decreasing from $1,787,434 to $832,000. After analyzing the revised scope against the original scoring criteria, staff concluded the revised scope does not affect the project's original score of 41.

The two projects recommended for the additional award can be viewed in Attachment 1 under "Additional Allocation." A summary of the updated total allocations and geographic distribution of SB 821 funding is provided in the table below.

Summary of Revised Recommended Allocations

	Coachella Valley	Western Riverside	Total
# of Recommended Projects	6	8	14
Total SB 821 Recommended Allocations	$3,600,728.80	$4,179,134.20	$7,770,863.00
Recommended Allocations as a % of Total Allocations	46.3%	53.7%	100%

Summary of Additional Allocation

	SB 821 Request	Original Award	Additional Award	Revised Award
Jurupa Valley	$688,000.00	$535,975.70	$152,034.30	$688,000.00
Eastvale	$727,986.00	$0.00	$338,975.70	$338,975.70
Total	**$1,415,986.00**	**$535,975.70**	**$491,000.00**	**$1,026,975.70**

Per the Commission's SB 821 adopted policies, jurisdictions receiving an allocation have 36 months to complete approved projects and submit claim forms for reimbursement upon project completion. Staff recommend the Commission direct staff to prepare an amendment with Jurupa Valley and an MOU with Eastvale for each agency's respective project to outline the project schedule, funding plan, and local agency match commitment. Further, staff recommends the Commission authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the amendment and MOU.

Staff will monitor the progress of the projects to ensure timely implementation and delivery and expenditure reimbursements, as the intent of the SB 821 program is to deliver and expend SB 821 funds within the timeframe of the cycle.

FISCAL IMPACT:

There is no fiscal impact to the current FY 2025/26 budget as the two projects recommended for award will not be completed until FY 2026/27, at the earliest. If this item is approved by the Commission, the FY 2026/27 budget, and subsequent budgets, will include the appropriate budget to reimburse the project sponsors for their completed and invoiced projects.

Financial Information						
In Fiscal Year Budget:	N/A	Year:	FY 2026/27+	Amount:	$491,000	
Source of Funds:	LTF			Budget Adjustment:		N/A
GL/Project Accounting No.:	002210 86106 00000 0000 0601 62 86106					
Fiscal Procedures Approved:				Date:	04/20/2026	

Attachment: FY 2025/26 SB 821 Call for Projects - Revised Funding Recommendations

Approved by the Budget and Implementation Committee on April 27, 2026

In Favor: 12 Abstain: 0 No: 0

FY 2025/26 SB 821 Call for Projects - Revised Funding Recommendations					
LEAD AGENCY	PROJECT NAME	TOTAL Project Cost	TOTAL SB 821 Request	RECOMMENDED ALLOCATION	TOTAL SCORE
Riverside, City of	Van Buren Blvd Class II Buffered Bike Lanes	$ 1,441,369.00	$ 720,684.50	$ 720,684.50	45
Riverside, City of	25-26 SB 821 Chicago Bike Lane & Other Sidewalks	$ 1,124,915.00	$ 562,457.50	$ 562,457.50	45
Rancho Mirage	San Jacinto Drive & Button Drive Intersection & Safety Improvements	$ 546,193.00	$ 273,096.00	$ 273,096.00	44
Cathedral City	Avenida Maravilla Active Transportation Improvements	$ 831,573.60	$ 415,786.80	$ 415,786.80	44
Indian Wells	Rancho Palmeras Complete Street Bicycle and Safety Improvements	$ 1,598,000.00	$ 727,985.00	$ 727,985.00	43
Wildomar	Mission Trail/Sedco Sidewalk and Bike Lanes Project (Phase 3)	$ 1,452,000.00	$ 726,000.00	$ 726,000.00	43
Wildomar	Palomar Street Sidewalk, Trail and Bike Lanes Project (Phase 3)	$ 1,050,470.00	$ 525,235.00	$ 525,235.00	43
Lake Elsinore	Spring Street Sidewalks Improvement	$ 720,765.00	$ 360,381.50	$ 360,381.50	42
Palm Springs	Racquet Club Road Reconfiguration Project	$ 1,519,100.00	$ 727,986.00	$ 727,986.00	41
Palm Springs	South Palm Canyon Road Reconfiguration Project	$ 1,475,300.00	$ 727,986.00	$ 727,986.00	41
Beaumont	City of Beaumont Bicycle and Pedestrian Master Plan Update/Action Plan	$ 339,649.00	$ 248,400.00	$ 248,400.00	41
Indian Wells	Cook Street Complete Street Bicycle and Safety Improvements	$ 4,008,889.00	$ 727,889.00	$ 727,889.00	41
Jurupa Valley	Pedley Elementary School and Felspar Street Pedestrian Improvements	$ 1,398,000.00	$ 688,000.00	$ 535,975.70	41
			TOTAL APPROVED ALLOCATION	$ 7,279,863.00	
ADDITIONAL ALLOCATION					
Jurupa Valley	Pedley Elementary School and Felspar Street Pedestrian Improvements	$ 1,398,000.00	$ 688,000.00	$ 152,024.30	41
City of Eastvale	ADA Pedestrian Safety Improvement Project	$ 832,000.00	$ 338,975.70	$ 338,975.70	41
			TOTAL RECOMMENDED ALLOCATION	$ 7,770,863.00	
CONTINGENCY LIST					
Coachella	Ave 50 Roadway Improvements Project	$ 1,544,160.00	$ 727,986.30		40
Corona	Downtown Crosswalk Pedestrian Safety Enhancements	$ 1,500,000.00	$ 700,000.00		39
Perris	Perris Valley Storm Drain Channel Tr. Ph 2, Segment 2	$ 1,884,992.00	$ 727,986.00		38
Indio	Arabia St Pedestrian Facilities Improvements (Dr Carreon Blvd - John Nobles Ave)	$ 1,257,095.68	$ 628,547.84		38
La Quinta	Washington Street Connector to Art and Music Line	$ 1,400,000.00	$ 700,000.00		37
Moreno Valley	Juan Bautista De Anza Multi-Use Trail Project - Street Lighting	$ 908,000.00	$ 727,000.00		37
Coachella	Ave 50 Corridor Widening Project	$ 1,499,370.00	$ 727,986.30		36
Desert Hot Springs	Corporate Yard Park Pedestrian Connector	$ 9,355,995.00	$ 720,000.00		35
Riverside County	Ramon Road Multi-modal Project	$ 2,340,000.00	$ 727,986.00		35
Lake Elsinore	Avenue 6/Irwin Drive Sidewalks Improvement	$ 705,173.00	$ 352,586.50		35
Corona	Citywide Pavement Rehab	$ 200,000.00	$ 150,000.00		35
Murrieta	Whitewood Road Sidewalk Improvements	$ 594,900.00	$ 446,175.00		34
Menifee	Newport Road Sidewalk Gap Closure	$ 830,200.00	$ 580,000.00		33
Hemet	SB821-FY25/26 Pedestrian Path of Travel Improvement Project (2)	$ 679,549.00	$ 543,639.00		30
Coachella	Ave 54 Project	$ 660,030.00	$ 660,030.00		30
Hemet	SB821-FY25/26 Pedestrian Path of Travel Improvement Project	$ 652,697.00	$ 524,697.00		29
Riverside County	Grand Avenue Mobility Project	$ 1,094,760.00	$ 547,380.00		29
Riverside County	Hemet Area Sidewalk and Mobility	$ 1,430,000.00	$ 715,000.00		28
Palm Desert	Enhancement of the VIP Campaign and Vision Zero Strategy	$ 100,000.00	$ 75,000.00		28
	TOTAL*	$ 46,975,145.28	$ 18,752,862.94		

AGENDA ITEM 7F

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	May 13, 2026
TO:	Riverside County Transportation Commission
FROM:	Budget and Implementation Committee Eric DeHate, Transit Manager
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	Fiscal Year 2025/26 Low Carbon Transit Operations Program Allocations

BUDGET AND IMPLEMENTATION COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

1) Approve the allocation of $4,872,489 related to Fiscal Year (FY) 2025/26 Low Carbon Transit Operations Program (LCTOP) funds to eligible Riverside County transit operators;
2) Authorize the Executive Director, or designee, to review the transit operators' projects to ensure consistency with the LCTOP guidelines and to execute and submit required documents to the California Department of Transportation (Caltrans) for LCTOP; and
3) Adopt Resolution No. 26-008 for "*Authorization for the Execution of the Certifications and Assurances and Authorized Agent Forms for the Low Carbon Transit Operations Program for the Southern California Regional Rail Authority Service Optimization in Riverside County in the amount of $900,000".*

BACKGROUND INFORMATION:

The LCTOP program was established through Senate Bill (SB) 862 in 2014 with a sunset date of 2030. LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities (DACs). LCTOP supports new or expanded transit services and expansion of intermodal transit facilities, with each project reducing greenhouse gas emissions. For agencies whose service areas include DACs, at least 50 percent of the total money received is to be expended on projects that will benefit these communities. In September 2025, the governor signed Assembly Bill 1207 and SB 840 extending the LCTOP program through 2045.

LCTOP is administered by Caltrans in coordination with the California Air Resource Board and the State Controller's Office (SCO). Caltrans is responsible for ensuring that the statutory requirements of the program are met in terms of project eligibility, emissions reduction, disadvantaged community benefit, and other requirements of the law.

Funds are apportioned similar to the State Transit Assistance program formula, utilizing two categories for funding: population and transit operator revenues. Apportionments by population

are directed to regional transportation planning agencies (RTPAs) such as RCTC to distribute under Public Utilities Code (PUC) 99313, and apportionments based on transit operator revenues under PUC 99314 are specified for each transit operator. Apportionments for both PUC 99313 and 99314 are determined by the SCO.

DISCUSSION:

The total estimated amount of formula LCTOP funds available to Riverside County for the first cycle in FY 2025/26 is $4,872,489 (Attachment 1). Of this amount, $4,196,536 is apportioned by population under PUC 99313, and are to be sub-allocated by the Commission. PUC 99314 provides $675,953 directly to the transit operators as determined by the SCO. There will be a second cycle for FY 2025/26 that will be brought back to the Commission at a later date. Transit operators apply for the LCTOP funds directly to Caltrans and funds are not required to flow through RCTC.

As the RTPA, the Commission has the following responsibilities related to LCTOP:

- Allocate PUC 99313 population based LCTOP amounts as published by the SCO to eligible projects within Riverside County;
- Provide a contributing sponsor letter to Caltrans for the PUC 99313 funds with a list of LCTOP projects that will be submitted by the public transit operators;
- Verify and approve amendments to a transit operator's project that requires the RTPA signature; and
- Coordinate with all transit operators to ensure that all funds identified for Riverside County are accounted for in eligible projects.

The SCO released the estimate for the first cycle of LCTOP funds on February 27, 2026, and project applications are due to Caltrans on April 28, 2026, with the RTPA contributing sponsor letter for PUC 99313 funds.

The Commission's policy to allocate LCTOP PUC 99313 funds to transit operators is based on local needs as requested by the transit operators. This process includes staff facilitated discussions with each transit operator and a review their priority projects to ensure that they are LCTOP-eligible. Staff also works towards identifying projects that are more regional and consistent across the county such as free fares for youth or other free/discounted programs. In addition, operating projects and capital projects that are under construction and/or construction ready that need additional funds are prioritized over other long-term capital projects.

Staff recommends approval of the FY 2025/26 LCTOP allocations as shown in Table 1. The city of Riverside has opted out of their PUC 99314 funds because they have sufficient LCTOP funds from previous Commission allocations and do not need additional funding at this time. When a transit operator opts out of their funds, staff coordinates between the agencies to ensure all funds in Riverside County are allocated to another eligible agency and project.

Table 1: FY 2025/26 LCTOP Allocations for Riverside County Transit Operators

Agency	PUC 99313 Funds	PUC 99314 Funds	Total LCTOP Allocation	Proposed Project Description
City of Banning	$ 120,000	$ 2,429	$ 122,429	Free fares on fixed-routes within city limits
City of Beaumont	130,000	3,713	133,713	Discounted fares on pass programs
City of Corona	260,000	4,972	264,972	Free fares for seniors, people with disabilities, and students
City of Riverside	-	-	-	$5,754 of PUC 99314 funds provided to RTA
Palo Verde Valley Transit Agency	125,000	2,050	127,050	Free fares on deviated fixed-routes
RCTC Commuter Rail Program	900,000	-	900,000	Metrolink Service Optimization
SCRRA	-	309,246	309,246	Student/Youth Discount Program
Riverside Transit Agency	1,781,000	213,664	1,994,664	Discounted and Free Fare Promotions
SunLine Transit Agency	880,536	134,125	1,014,661	Indio Liquid Hydrogen Station project
Total	**$ 4,196,536**	**$ 675,953**	**$ 4,872,489**	

The projects listed above are expected to begin in FY 2027/28 and will be budgeted and programmed in each transit operator's Short Range Transit Plan.

Staff also recommends authorizing the Executive Director, or designee, to execute and submit administrative documents related to the LCTOP program to Caltrans for approval, as needed. This may include any amendments to the transit operators' applications due to delays, scope changes, or programming modifications that require approval from the RTPA.

In addition, staff recommends allocating $900,000 of RCTC's regional share of LCTOP funds to support SCRRA's Service Optimization project. This allocation will help offset the Commission's annual operating subsidy and continue implementation of service changes designed to attract new passenger rail riders within Riverside County while improving systemwide connectivity. Consistent with LCTOP grant requirements, adoption of Resolution No. 26-008 (Attachment 2) is required to authorize the use of funds for this project and to authorize the Executive Director to execute the required Certifications and Assurances and Authorized Agent forms.

FISCAL IMPACT:

There is no financial impact for the allocation of these funds. LCTOP funds are distributed directly from the SCO to transit operators for their respective projects. RCTC-led projects will be included in the FY 2026/27 budget.

Attachments:
1) LCTOP FY 2025/26 Estimates from SCO, Dated February 27, 2026
2) Resolution No. 26-008

Approved by the Budget and Implementation Committee on April 27, 2026

In Favor: 13 Abstain: 0 No: 0

MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

February 27, 2026

County Auditors
Transportation Planning Agencies
County Transportation Commissions
San Diego Metropolitan Transit System

SUBJECT: Low Carbon Transit Operations Program

Pursuant to Health and Safety Code section 39719(b)(1)(B), the State Controller's Office shall allocate five percent of the annual proceeds from the Greenhouse Gas Reduction Fund to the Low Carbon Transit Operations Program. The allocation is made according to the requirements of the Low Carbon Transit Operations Program and pursuant to the distribution formula in sections 99312(b) or (c), 99313, and 99314 of the Public Utilities Code. Enclosed is a schedule that provides the amounts available for the Fiscal Year 2025-26 Low Carbon Transit Operations Program.

Please contact Lucas Rasmussen by telephone at (916) 323-1374 or email at LRasmussen@sco.ca.gov with any questions or for additional information. Thank you.

Sincerely,

Melma Dizon
Manager, Local Apportionments Section

Enclosure:
Low Carbon Transit Operations Program Eligible Allocation Summary

STATE CONTROLLER'S OFFICE
LOW CARBON TRANSIT OPERATIONS PROGRAM
FISCAL YEAR 2025-26 - ELIGIBLE ALLOCATION SUMMARY
FEBRUARY 27, 2026

Regional Entity	PUC 99313 Allocation	PUC 99314 Allocation	Total Allocation
	A	B	C = (A + B)
Metropolitan Transportation Commission	$ 12,875,087	$ 35,581,787	$ 48,456,874
Sacramento Area Council of Governments	3,389,088	1,150,810	4,539,898
San Diego Association of Governments	1,600,012	395,543	1,995,555
San Diego Metropolitan Transit System	3,932,989	1,628,526	5,561,515
Tahoe Regional Planning Agency	185,263	10,493	195,756
Alpine County Transportation Commission	1,979	149	2,128
Amador County Transportation Commission	66,527	2,379	68,906
Butte County Association of Governments	348,963	18,930	367,893
Calaveras County Local Transportation Commission	75,202	926	76,128
Colusa County Local Transportation Commission	37,038	1,642	38,680
Del Norte County Local Transportation Commission	44,635	2,384	47,019
El Dorado County Local Transportation Commission	298,480	20,171	318,651
Fresno County Council of Governments	1,743,854	310,501	2,054,355
Glenn County Local Transportation Commission	49,385	1,388	50,773
Humboldt County Association of Governments	225,020	38,194	263,214
Imperial County Transportation Commission	313,607	28,946	342,553
Inyo County Local Transportation Commission	31,613	0	31,613
Kern Council of Governments	1,553,684	94,349	1,648,033
Kings County Association of Governments	258,983	10,322	269,305
Lake County/City Council of Governments	113,091	5,815	118,906
Lassen County Local Transportation Commission	48,287	2,178	50,465
Los Angeles County Metropolitan Transportation Authority	16,608,322	21,995,875	38,604,197
Madera County Local Transportation Commission	273,418	8,877	282,295
Mariposa County Local Transportation Commission	28,447	851	29,298
Mendocino Council of Governments	151,048	11,164	162,212
Merced County Association of Governments	492,828	23,128	515,956
Modoc County Local Transportation Commission	14,278	1,255	15,533
Mono County Local Transportation Commission	21,329	32,922	54,251
Transportation Agency for Monterey County	737,915	228,913	966,828
Nevada County Local Transportation Commission	168,750	8,068	176,818
Orange County Transportation Authority	5,339,630	1,920,979	7,260,609
Placer County Transportation Planning Agency	545,496	77,027	622,523
Plumas County Local Transportation Commission	31,756	4,978	36,734
Riverside County Transportation Commission	4,196,536	675,953	4,872,489
Council of San Benito County Governments	112,364	1,765	114,129
San Bernardino County Transportation Authority	3,711,888	783,924	4,495,812
San Joaquin Council of Governments	1,355,085	300,836	1,655,921
San Luis Obispo Area Council of Governments	469,718	32,700	502,418
Santa Barbara County Association of Governments	751,874	190,308	942,182
Santa Cruz County Transportation Commission	443,441	406,657	850,098
Shasta Regional Transportation Agency	303,016	15,829	318,845
Sierra County Local Transportation Commission	5,331	207	5,538
Siskiyou County Local Transportation Commission	72,829	3,163	75,992
Stanislaus Council of Governments	934,545	52,899	987,444
Tehama County Transportation Commission	109,010	2,268	111,278
Trinity County Transportation Commission	26,710	888	27,598
Tulare County Association of Governments	819,265	85,195	904,460
Tuolumne County Transportation Council	91,404	2,369	93,773
Ventura County Transportation Commission	1,394,011	228,600	1,622,611
State Totals	$ 66,403,031	$ 66,403,031	$ 132,806,062

STATE CONTROLLER'S OFFICE
LOW CARBON TRANSIT OPERATIONS PROGRAM
PUC 99314 ALLOCATION DETAIL
FISCAL YEAR 2025-26 - ELIGIBLE ALLOCATION
FEBRUARY 27, 2026

Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Allocation
Altamont Corridor Express*		
Alameda County Congestion Management Agency	$ NA	$ 51,936
Santa Clara Valley Transportation Authority	NA	29,963
San Joaquin Regional Rail Commission	NA	167,794
Regional Entity Totals	0	249,693
Metropolitan Transportation Commission		
Alameda-Contra Costa Transit District, San Francisco Bay Area Rapid Transit District, and the City of San Francisco**	2,032,465,904	23,692,308
Central Contra Costa Transit Authority	12,684,408	147,861
City of Dixon	123,850	1,444
Eastern Contra Costa Transit Authority	6,132,724	71,489
City of Fairfield	2,250,751	26,237
Golden Gate Bridge Highway and Transportation District	138,827,667	1,618,304
Livermore-Amador Valley Transit Authority	6,084,421	70,926
Marin County Transit District	23,726,064	276,573
Napa Valley Transportation Authority	1,722,522	20,079
Peninsula Corridor Joint Powers Board	144,681,126	1,686,537
City of Petaluma	739,065	8,615
City of Rio Vista	39,373	459
San Francisco Bay Area Water Emergency Transportation Authority	39,452,081	459,890
San Mateo County Transit District	145,105,738	1,691,487
Santa Clara Valley Transportation Authority	439,800,215	5,126,719
City of Santa Rosa	2,483,478	28,950
Solano County Transit	5,290,076	61,666
County of Sonoma	3,459,517	40,327
Sonoma-Marin Area Rail Transit District	29,993,581	349,633
City of Union City	1,879,467	21,909
City of Vacaville	402,817	4,696
Western Contra Costa Transit Authority	8,044,931	93,779
Regional Entity Subtotals	3,045,389,776	35,499,888
Alameda County Congestion Management Agency - Corresponding to ACE*	NA	51,936
Santa Clara Valley Transportation Authority - Corresponding to ACE*	NA	29,963
Regional Entity Totals	3,045,389,776	35,581,787

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* The amounts allocated to the member agencies of Altamont Corridor Express are included with their corresponding transportation planning agency.

** The amounts for Alameda-Contra Costa Transit District, San Francisco Bay Area Rapid Transit District, and the City of San Francisco are combined.

STATE CONTROLLER'S OFFICE
LOW CARBON TRANSIT OPERATIONS PROGRAM
PUC 99314 ALLOCATION DETAIL
FISCAL YEAR 2025-26 - ELIGIBLE ALLOCATION
FEBRUARY 27, 2026

Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Allocation
Sacramento Area Council of Governments		
City of Davis (Unitrans)	2,957,630	34,477
County of Sacramento	1,189,071	13,861
Sacramento Regional Transit System	88,543,261	1,032,142
Yolo County Transportation District	4,689,895	54,670
Yuba Sutter Transit Authority	1,343,449	15,660
Regional Entity Totals	98,723,306	1,150,810
San Diego Association of Governments		
North County Transit District	33,932,036	395,543
San Diego Metropolitan Transit System		
San Diego Metropolitan Transit System	33,958,141	395,848
San Diego Transit Corporation	62,951,421	733,820
San Diego Trolley, Inc.	42,794,978	498,858
Regional Entity Totals	139,704,540	1,628,526
Southern California Regional Rail Authority***		
Los Angeles County Metropolitan Transportation Authority	NA	1,383,877
Orange County Transportation Authority	NA	607,724
Riverside County Transportation Commission	NA	309,246
San Bernardino County Transportation Authority	NA	312,283
Ventura County Transportation Commission	NA	147,996
Regional Entity Totals	0	2,761,126
	0	(2,761,126)
Tahoe Regional Planning Agency		
Tahoe Transportation District	900,147	10,493
Alpine County Transportation Commission		
County of Alpine	12,816	149
Amador County Transportation Commission		
Amador Transit	204,076	2,379
Butte County Association of Governments		
Butte Regional Transit	1,601,714	18,671
City of Gridley - Specialized Service	22,232	259
Regional Entity Totals	1,623,946	18,930

*** The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

STATE CONTROLLER'S OFFICE
LOW CARBON TRANSIT OPERATIONS PROGRAM
PUC 99314 ALLOCATION DETAIL
FISCAL YEAR 2025-26 - ELIGIBLE ALLOCATION
FEBRUARY 27, 2026

Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Allocation
Calaveras County Local Transportation Commission		
Calaveras Transit Agency	79,417	926
Colusa County Local Transportation Commission		
County of Colusa	140,877	1,642
Del Norte County Local Transportation Commission		
Redwood Coast Transit Authority	204,530	2,384
El Dorado County Local Transportation Commission		
El Dorado County Transit Authority	1,730,379	20,171
Fresno County Council of Governments		
City of Clovis	1,770,328	20,637
City of Fresno	22,991,076	268,005
Fresno County Rural Transit Agency	1,875,194	21,859
Regional Entity Totals	26,636,598	310,501
Glenn County Local Transportation Commission		
County of Glenn Transit Service	119,071	1,388
Humboldt County Association of Governments		
City of Arcata	213,054	2,484
Humboldt Transit Authority	3,063,481	35,710
Regional Entity Totals	3,276,535	38,194
Imperial County Transportation Commission		
Imperial County Transportation Commission	2,462,028	28,700
Quechan Indian Tribe	21,107	246
Regional Entity Totals	2,483,135	28,946
Inyo County Local Transportation Commission	None	None
Kern Council of Governments		
City of Arvin	62,152	725
City of California City	25,760	300
City of Delano	279,451	3,258
Golden Empire Transit District	5,882,508	68,572
County of Kern	1,194,767	13,927
City of McFarland	12,106	142
City of Ridgecrest	159,250	1,856
City of Shafter	57,568	671
City of Taft	360,169	4,198
City of Tehachapi	28,252	329
City of Wasco	31,839	371
Regional Entity Totals	8,093,822	94,349

STATE CONTROLLER'S OFFICE
LOW CARBON TRANSIT OPERATIONS PROGRAM
PUC 99314 ALLOCATION DETAIL
FISCAL YEAR 2025-26 - ELIGIBLE ALLOCATION
FEBRUARY 27, 2026

Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Allocation
Kings County Association of Governments		
City of Corcoran	122,620	1,429
Kings County Area Public Transit Agency	762,823	8,893
Regional Entity Totals	885,443	10,322
Lake County/City Council of Governments		
Lake Transit Authority	498,852	5,815
Lassen County Local Transportation Commission		
Lassen Transit Service Agency	186,872	2,178
Los Angeles County Metropolitan Transportation Authority		
Antelope Valley Transit Authority	20,326,872	236,949
City of Arcadia	1,607,131	18,734
City of Burbank	3,769,842	43,945
City of Claremont	456,234	5,318
City of Commerce	4,235,696	49,375
City of Culver City	15,278,536	178,101
Foothill Transit	67,815,955	790,526
City of Gardena	13,772,242	160,542
City of Glendale	8,225,171	95,880
City of La Mirada	874,670	10,196
Long Beach Public Transportation Company	60,542,189	705,736
City of Los Angeles	98,801,791	1,151,725
County of Los Angeles	6,316,927	73,636
Los Angeles County Metropolitan Transportation Authority	1,332,273,335	15,530,213
City of Montebello	20,096,742	234,266
City of Norwalk	9,188,277	107,107
City of Pasadena	7,704,457	89,810
City of Redondo Beach	2,905,619	33,871
City of Santa Clarita	26,010,198	303,199
City of Santa Monica	47,544,183	554,219
Southern California Regional Rail Authority***	236,865,779	NA
City of Torrance	20,472,763	238,650
Regional Entity Subtotals	2,005,084,609	20,611,998
Los Angeles County Metropolitan Transportation Authority - Corresponding to SCRRA***	NA	1,383,877
Regional Entity Totals	2,005,084,609	21,995,875
Madera County Local Transportation Commission		
City of Chowchilla	524,476	6,114
City of Madera	169,785	1,979
County of Madera	67,286	784
Regional Entity Totals	761,547	8,877

*** The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

STATE CONTROLLER'S OFFICE
LOW CARBON TRANSIT OPERATIONS PROGRAM
PUC 99314 ALLOCATION DETAIL
FISCAL YEAR 2025-26 - ELIGIBLE ALLOCATION
FEBRUARY 27, 2026

Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Allocation
Mariposa County Local Transportation Commission		
County of Mariposa	73,004	851
Mendocino Council of Governments		
Mendocino Transit Authority	957,692	11,164
Merced County Association of Governments		
Transit Joint Powers Authority of Merced County	1,025,125	11,950
Yosemite Area Regional Transportation System (YARTS)	958,913	11,178
Regional Entity Totals	1,984,038	23,128
Modoc County Local Transportation Commission		
Modoc Transportation Agency	107,653	1,255
Mono County Local Transportation Commission		
Eastern Sierra Transit Authority	2,824,223	32,922
Transportation Agency for Monterey County		
Monterey-Salinas Transit District	19,637,486	228,913
Nevada County Local Transportation Commission		
County of Nevada	369,077	4,302
City of Truckee	323,083	3,766
Regional Entity Totals	692,160	8,068
Orange County Transportation Authority		
City of Laguna Beach	1,910,271	22,268
Orange County Transportation Authority	110,748,483	1,290,987
Regional Entity Subtotals	112,658,754	1,313,255
Orange County Transportation Authority - Corresponding to SCRRA***	NA	607,724
Regional Entity Totals	112,658,754	1,920,979
Placer County Transportation Planning Agency		
City of Auburn	21,830	254
County of Placer	5,410,141	63,066
City of Roseville	1,175,827	13,707
Regional Entity Totals	6,607,798	77,027
Plumas County Local Transportation Commission		
County Service Area 12 - Specialized Service	346,829	4,043
County of Plumas	80,198	935
Regional Entity Totals	427,027	4,978

*** The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

STATE CONTROLLER'S OFFICE
LOW CARBON TRANSIT OPERATIONS PROGRAM
PUC 99314 ALLOCATION DETAIL
FISCAL YEAR 2025-26 - ELIGIBLE ALLOCATION
FEBRUARY 27, 2026

Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Allocation
Riverside County Transportation Commission		
City of Banning	208,349	2,429
City of Beaumont	318,557	3,713
City of Corona	426,555	4,972
Palo Verde Valley Transit Agency	175,762	2,050
City of Riverside - Specialized Service	493,635	5,754
Riverside Transit Agency	18,329,390	213,664
Sunline Transit Agency	11,506,078	134,125
Regional Entity Subtotals	31,458,326	366,707
Riverside County Transportation Commission - Corresponding to SCRRA***	NA	309,246
Regional Entity Totals	31,458,326	675,953
Council of San Benito County Governments		
San Benito County Local Transportation Authority	151,384	1,765
San Bernardino County Transportation Authority		
Morongo Basin Transit Authority	1,027,787	11,981
Mountain Area Regional Transit Authority	564,732	6,583
City of Needles	58,190	679
Omnitrans	34,279,207	399,590
Victor Valley Transit Authority	4,530,204	52,808
Regional Entity Subtotals	40,460,120	471,641
San Bernardino County Transportation Authority - Corresponding to SCRRA***	NA	312,283
Regional Entity Totals	40,460,120	783,924
San Joaquin Council of Governments		
Altamont Corridor Express *	21,420,132	NA
City of Escalon	51,911	605
City of Lodi	887,825	10,349
City of Manteca	77,826	907
City of Ripon	44,345	517
San Joaquin Regional Transit District	10,156,807	118,397
City of Tracy	194,489	2,267
Regional Entity Subtotals	32,833,335	133,042
San Joaquin Regional Rail Commission - Corresponding to ACE*	NA	167,794
Regional Entity Totals	32,833,335	300,836

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* The amounts allocated to the member agencies of Altamont Corridor Express are included with their corresponding transportation planning agency.

*** The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

STATE CONTROLLER'S OFFICE
LOW CARBON TRANSIT OPERATIONS PROGRAM
PUC 99314 ALLOCATION DETAIL
FISCAL YEAR 2025-26 - ELIGIBLE ALLOCATION
FEBRUARY 27, 2026

Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Allocation
San Luis Obispo Area Council of Governments		
City of Atascadero	37,783	440
City of Morro Bay	42,401	494
San Luis Obispo Regional Transit Authority	821,105	9,572
City of San Luis Obispo Transit	1,903,882	22,194
Regional Entity Totals	2,805,171	32,700
Santa Barbara County Association of Governments (SBCAG)		
City of Guadalupe	69,525	810
City of Lompoc	136,501	1,591
County of Santa Barbara	0	0
Santa Barbara County Association of Governments (SBCAG)	1,620,453	18,890
Santa Barbara Metropolitan Transit District	13,488,703	157,237
City of Santa Maria	906,214	10,564
City of Solvang	104,313	1,216
Regional Entity Totals	16,325,709	190,308
Santa Cruz County Transportation Commission		
Santa Cruz Metropolitan Transit District	34,885,448	406,657
Shasta Regional Transportation Agency		
Redding Area Bus Authority	1,357,867	15,829
Sierra County Local Transportation Commission		
County of Sierra - Specialized Service	17,768	207
Siskiyou County Local Transportation Commission		
County of Siskiyou	271,330	3,163
Stanislaus Council of Governments		
Stanislaus Regional Transit Authority	4,244,345	49,476
City of Turlock	293,666	3,423
Regional Entity Totals	4,538,011	52,899
Tehama County Transportation Commission		
County of Tehama	194,589	2,268
Trinity County Transportation Commission		
County of Trinity	76,212	888
Tulare County Association of Governments		
City of Porterville	846,792	9,871
City of Tulare	589,094	6,867
County of Tulare	1,191,032	13,884
Tulare County Regional Transit Agency	290,035	3,381
City of Visalia	4,391,535	51,192
Regional Entity Totals	7,308,488	85,195

STATE CONTROLLER'S OFFICE
LOW CARBON TRANSIT OPERATIONS PROGRAM
PUC 99314 ALLOCATION DETAIL
FISCAL YEAR 2025-26 - ELIGIBLE ALLOCATION
FEBRUARY 27, 2026

Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Allocation
Tuolumne County Transportation Council		
Tuolumne County Transit Agency	203,234	2,369
Ventura County Transportation Commission		
City of Camarillo	751,079	8,755
Gold Coast Transit District	4,272,461	49,804
City of Moorpark	299,991	3,497
City of Simi Valley	1,167,392	13,608
City of Thousand Oaks	423,749	4,940
Regional Entity Subtotals	6,914,672	80,604
Ventura County Transportation Commission - Corresponding to SCRRA***	NA	147,996
Regional Entity Totals	6,914,672	228,600
STATE TOTALS	$ 5,696,443,829	$ 66,403,031

*** The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

RESOLUTION NO. 26-008

AUTHORIZATION FOR THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) FOR THE SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (SCRRA) SERVICE OPTIMIZATION IN RIVERSIDE COUNTY IN THE AMOUNT OF $900,000

WHEREAS, the Riverside County Transportation Commission is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors, including local agencies; and

WHEREAS, the Riverside County Transportation Commission wishes to delegate authorization to execute the Certification and Assurances and the Authorized Agent documents for the LCTOP in relation to the SCRRA Service Optimization in Riverside County, and any amendments thereto, to Aaron Hake, Executive Director, or his designee; and

WHEREAS, the Riverside County Transportation Commission wishes to implement the LCTOP project(s) listed above.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Riverside County Transportation Commission that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that Aaron Hake, Executive Director, or his designee, be authorized to execute all required documents for the LCTOP program and any Amendments thereto with the California Department of Transportation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Riverside County Transportation Commission that it hereby authorizes the submittal of the following project nomination(s) and allocation request(s) to the Department in FY2025-2026 LCTOP funds:

(Continued on next page)

List project(s), including the following information:
Project Name: SCRRA Service Optimization in Riverside County
Amount of LCTOP funds requested: $900,000
Short description of project: The Southern California Regional Rail Authority will use LCTOP funds to encourage new passenger rail riders within Riverside County by increasing the number of trains as part of Metrolink's regional passenger rail service.
Benefit to a Priority Populations: Increase regional passenger rail service to disadvantaged communities.
Amount to benefit Priority Populations: $900,000
Contributing Sponsors (if applicable):

APPROVED AND ADOPTED this 13th day of May 2026.

_____

Raymond Gregory, Chair
Riverside County Transportation Commission

ATTEST:

_____

Lisa Mobley, Clerk of the Board
Riverside County Transportation Commission

DRAFT

AGENDA ITEM 7G

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	May 13, 2026
TO:	Riverside County Transportation Commission
FROM:	Budget and Implementation Committee Eric DeHate, Transit Manager
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	Amendment to Palo Verde Valley Transit Agency's Fiscal Year 2025/26 Short Range Transit Plan

BUDGET AND IMPLEMENTATION COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

1) Approve a $217,350 increase in the Fiscal Year 2025/26 Local Transportation Funding (LTF) allocation for the Palo Verde Valley Transit Agency (PVVTA) for a new allocation amount of $1,693,971; and
2) Approve the amendment to PVVTA's FY 2025/26 Short-Range Transit Plan (SRTP) reflecting the funding adjustment.

BACKGROUND INFORMATION:

In June 2025, the Commission approved the seven bus operators' FY 2025/26 SRTPs and allocated funding to meet their operational and capital needs. If a transit operator requires additional financial resources throughout the year, Commission Transit Funding Policy No. 1-2 requires that any additional transit funding be brought to the Commission for review and approval through a formal SRTP amendment request. Consistent with this policy, staff has received a formal SRTP amendment request from PVVTA, seeking additional LTF operating assistance.

PVVTA was allocated a total of $1,476,621 of LTF for operating assistance for FY 2025/26 and is requesting an operating budget amendment to account for the addition of three full-time staff positions approved by the PVVTA Board as part of its FY 2025/26 mid-year budget adjustment. The positions include a Finance Manager, a Senior Accounting Specialist, and an Administrative Supervisor which were not included in the original FY 2025/26 SRTP budget and are necessary to maintain and enhance agency operations. Accordingly, PVVTA submitted a formal amendment to its FY 2025/26 SRTP (Attachment 1), requesting an additional $217,350 in LTF operating funds to support these staffing needs, for a total LTF allocation of $1,693,971.

Commission staff have reviewed the amendment request and finds it to be reasonable, justified, and consistent with allowable uses of LTF. Therefore, staff recommends approval of an additional

$217,350 in LTF operating assistance for PVVTA, along with the approval of the corresponding amendment to PVVTA's FY 2025/26 SRTP to reflect this funding adjustment.

FISCAL IMPACT:

The existing FY 2025/26 budget has sufficient funding in LTF to cover this request and does not require an adjustment to the budget.

Financial Information							
In Fiscal Year Budget:		Yes	Year:	FY 2025/26	Amount:	$217,350	
Source of Funds:	LTF Palo Verde Valley Bus				Budget Adjustment:		No
GLA No.:	002212 86101 00000 0000 6010 62 86101				$ 217,350		
Fiscal Procedures Approved:					Date:		04/20/2026

Attachment: PVVTA's FY 2025/26 SRTP Amendment Request Letter Dated April 8, 2026

Approved by the Budget and Implementation Committee on April 27, 2026

In Favor: 12 Abstain: 0 No: 0

April 8, 2026

Lorelle Moe-Luna
Multimodal Services Director
Riverside County Transportation Commission
4080 Lemon Street, 3rd Floor Riverside, CA 92502

Re: FY 2025/2026, STRP, Amendment No. 2

Dear Lorelle Moe-Luna,

I am writing this letter to respectfully request Riverside County Transportation Commission's (RCTC) consideration of the Palo Verde Valley Transit Agency's request for an adjustment to its FY 2025/26 Table 4: Summary of Funds Requested for to reflect the following changes:

- Increase allocation in the amount of ***$217,350 and*** utilize these funds as Operating Assistance.

These funds are critical to maintaining the continuity, efficiency, and effectiveness of our programs and services within our community.

Our organization has consistently demonstrated responsible stewardship of financial resources and maintains full compliance with all applicable regulatory and reporting requirements. Consistent with Board direction, the availability of these funds will enable the organization to sustain essential operations and strategically expand staffing capacity to address growing community needs and fulfill established operating objectives. This investment in personnel resources supports the Board's priorities by strengthening organizational capacity, improving service delivery, and ensuring continued program effectiveness. The organization remains committed to transparency, accountability, and maximizing the impact of every dollar entrusted to it.

We respectfully request your consideration and approval to retain these funds. Please feel free to contact us should you require any additional documentation or clarification.

Thank you *for your time and consideration in this matter*!

Sincerely,

X

Richard Rodriguez, Finance Manager
Palo Verde Valley Transit Agency

Table 4.0 - Summary of Funding Requests - FY 2025/26

Palo Verde Valley Transit Agency

Amendment # 2

Operating

Project	Total Amount of Funds	5311	FARE	LCTOP OB	LCTOP PUC99313	LCTOP PUC99314	LTF	SGR PUC99313	SGR PUC99314	STA - OB	STA PUC99313	STA PUC99314				
1 - OPERATING ASSISTANCE -	$1,369,203		$115,900				$1,253,303									
2 - OPERATING ASSISTANCE (BWE) -	$189,697						$189,697									
3 - LCTOP FREE RIDES PROGRAM -	$130,774			$130,774												
5 - OPERATING ASSISTANCE (5311 FUNDS) -	$292,668	$292,668														
8 - LCTOP EXPANSION BUS OPERATIONS COST YEAR 1 -	$125,000				$91,379		$33,621									
Sub-total Operating	$2,107,342	$292,668	$115,900	$130,774	$91,379	$0	$1,476,621	$0	$0	$0	$0	$0				

Capital

Project	Total Amount of Funds	5311	FARE	LCTOP OB	LCTOP PUC99313	LCTOP PUC99314	LTF	SGR PUC99313	SGR PUC99314	STA - OB	STA PUC99313	STA PUC99314				
Bulk Tires, Filters, etc - 26-1	$25,000										$12,728	$12,272				
BULK TRANSIT BUS TIRES, FILTERS, ETC. - FY 22-3	$-2,430									$-2,430						
BULK TRANSIT BUS TIRES, FILTERS, ETC. - FY 25-5	$-3,822									$-3,822						
Bus Stop Amenities - 26-2	$10,000										$10,000					
CNG Expansion Bus - 26-7	$480,000				$476,879	$3,121										
Farebox System Analysis and upgrades - 26-4	$50,000										$50,000					
IT and Communication Upgrade - 26-8	$60,000										$60,000					
Rebranding Efforts - FY 25-4	$-46,952									$-46,952						
REPLACEMENT OF (2) FIXED ROUTE BUSES (CNG) - FY 23-1	$46,952									$46,952						
SGR Equipment and Facility Upgrades - 26-9	$76,160							$74,055	$2,105							
Support Vehicle - 26-5	$60,000										$60,000					
Support Vehicle Rehabilitation - FY 24-8	$6,252									$6,252						
TECHNOLOGY UPGRADE/IMPROVEMENTS - FY 22-1	$-1,750									$-1,750						
Technology Upgrades - FY 24-2	$1,750									$1,750						
Vehicle Rehabilitation - 26-6	$15,000										$15,000					
Zero-Emission and Maintenance facilities - FY 26-3	$50,000										$50,000					
Sub-total Capital	$826,160	$0	$0	$0	$476,879	$3,121	$0	$74,055	$2,105	$0	$257,728	$12,272				
Total Operating & Capital	$2,933,502	$292,668	$115,900	$130,774	$568,258	$3,121	$1,476,621	$74,055	$2,105	$0	$257,728	$12,272				

Table 4.0 - Summary of Funding Requests - FY 2025/26

Palo Verde Valley Transit Agency

Amendment # 2

FY 2025/26 Projected Funding Details	
5311	$292,668
FARE	$115,900
LCTOP OB	$130,774
LCTOP PUC99313	$91,379
LTF	$1,476,621
Total Estimated Operating Funding Request	$2,107,342
LCTOP PUC99313	$476,879
LCTOP PUC99314	$3,121
SGR PUC99313	$74,055
SGR PUC99314	$2,105
STA - OB	$0
STA PUC99313	$257,728
STA PUC99314	$12,272
Total Estimated Capital Funding Request	$826,160
Total Funding Request	**$2,933,502**

Table 4.0 - Summary of Funding Requests - FY 2025/26

Palo Verde Valley Transit Agency

Amendment # 3

Operating

Project	Total Amount of Funds	5311	FARE	LCTOP OB	LCTOP PUC99313	LCTOP PUC99314	LTF	SGR PUC99313	SGR PUC99314	STA - OB	STA PUC99313	STA PUC99314				
1 - OPERATING ASSISTANCE -	$1,586,553		$115,900				$1,470,653									
2 - OPERATING ASSISTANCE (BWE) -	$189,697						$189,697									
3 - LCTOP FREE RIDES PROGRAM -	$130,774			$130,774												
5 - OPERATING ASSISTANCE (5311 FUNDS) -	$292,668	$292,668														
8 - LCTOP EXPANSION BUS OPERATIONS COST YEAR 1 -	$125,000				$91,379		$33,621									
Sub-total Operating	$2,324,692	$292,668	$115,900	$130,774	$91,379	$0	$1,693,971	$0	$0	$0	$0	$0				

Capital

Project	Total Amount of Funds	5311	FARE	LCTOP OB	LCTOP PUC99313	LCTOP PUC99314	LTF	SGR PUC99313	SGR PUC99314	STA - OB	STA PUC99313	STA PUC99314				
Bulk Tires, Filters, etc - 26-1	$25,000										$12,728	$12,272				
BULK TRANSIT BUS TIRES, FILTERS, ETC. - FY 22-3	$-2,430									$-2,430						
BULK TRANSIT BUS TIRES, FILTERS, ETC. - FY 25-5	$-3,822									$-3,822						
Bus Stop Amenities - 26-2	$10,000										$10,000					
CNG Expansion Bus - 26-7	$480,000				$476,879	$3,121										
Farebox System Analysis and upgrades - 26-4	$50,000										$50,000					
IT and Communication Upgrade - 26-8	$60,000										$60,000					
Rebranding Efforts - FY 25-4	$-46,952									$-46,952						
REPLACEMENT OF (2) FIXED ROUTE BUSES (CNG) - FY 23-1	$46,952									$46,952						
SGR Equipment and Facility Upgrades - 26-9	$76,160							$74,055	$2,105							
Support Vehicle - 26-5	$60,000										$60,000					
Support Vehicle Rehabilitation - FY 24-8	$6,252									$6,252						
TECHNOLOGY UPGRADE/IMPROVEMENTS - FY 22-1	$-1,750									$-1,750						
Technology Upgrades - FY 24-2	$1,750									$1,750						
Vehicle Rehabilitation - 26-6	$15,000										$15,000					
Zero-Emission and Maintenance facilities - FY 26-3	$50,000										$50,000					
Sub-total Capital	$826,160	$0	$0	$0	$476,879	$3,121	$0	$74,055	$2,105	$0	$257,728	$12,272				
Total Operating & Capital	$3,150,852	$292,668	$115,900	$130,774	$568,258	$3,121	$1,693,971	$74,055	$2,105	$0	$257,728	$12,272				

Table 4.0 - Summary of Funding Requests - FY 2025/26

Palo Verde Valley Transit Agency

Amendment # 3

FY 2025/26 Projected Funding Details	
5311	$292,668
FARE	$115,900
LCTOP OB	$130,774
LCTOP PUC99313	$91,379
LTF	$1,693,971
Total Estimated Operating Funding Request	$2,324,692
LCTOP PUC99313	$476,879
LCTOP PUC99314	$3,121
SGR PUC99313	$74,055
SGR PUC99314	$2,105
STA - OB	$0
STA PUC99313	$257,728
STA PUC99314	$12,272
Total Estimated Capital Funding Request	$826,160
Total Funding Request	**$3,150,852**

AGENDA ITEM 7H

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	May 13, 2026
TO:	Riverside County Transportation Commission
FROM:	Budget and Implementation Committee Eric DeHate, Transit Manager
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	Agreement for Public and Specialized Transit Planning Services

BUDGET AND IMPLEMENTATION COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

1) Award Agreement No. 26-62-053-00 to AMMA Transit Planning, Inc., for Public and Specialized Transit Planning Services, for a three-year term and two one-year options to extend the agreement, in an amount not to exceed $740,827; and
2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of the Commission.

BACKGROUND AND DISCUSSION:

The Commission utilizes professional consultant services to provide public and specialized transit planning and technical support necessary to administer federal, state, and local transit funding programs that benefit seniors, persons with disabilities, low-income individuals, and small urban and rural communities. These services include technical assistance in administering the Federal Transit Administration (FTA) Section 5310 Program through public outreach, training on federal requirements, and grant application assistance for transit operators and social service agencies. The consultant also develops and updates the federally required Public Transit-Human Services Coordinated Transportation Plan, involving stakeholder engagement and analysis of transit needs and strategies throughout the county. The consultant also supports the Commission's Measure A Specialized Transit Program by conducting site visits and performance assessments to ensure that Measure A recipients are maximizing resources and implementing program improvements. In addition, the scope of services covers unforeseen transit analyses or market research that may arise during the contract period.

Procurement Process

Staff determined the weighted factor method of source selection to be the most appropriate for this procurement, as it allows the Commission to identify the most advantageous proposal with price and other factors considered. Non-price factors include elements such as qualifications of

firm and personnel and understanding and approach for Public and Specialized Transit Planning Services (Project) as set forth under the terms of Request for Proposals (RFP) No. 26-62-053-00. RFP No. 26-62-053-00 for the Project was released by staff on February 11, 2026. The RFP was posted on the Commission's PlanetBids website, which is accessible through the Commission's website. Utilizing PlanetBids, emails were sent to 678 firms, 92 of which are located in Riverside County. Through the PlanetBids site, 54 firms downloaded the RFP and 5 of these firms are located in Riverside County. Staff responded to all questions submitted by potential proposers by March 4, 2026. One firm – AMMA Transit Planning, Inc. (Riverside, CA) - submitted a responsive proposal prior to the 2:00 p.m. submittal deadline on March 25, 2026.

Since staff received one proposal, it reviewed the solicitation specifications for undue restrictiveness and surveyed potential sources that chose not to submit a proposal. Reasons for not submitting a proposal included limited capacity and competing priorities at the time of solicitation. Staff concluded that the requirements listed in the scope of work and other terms and conditions were not unnecessarily or excessively restrictive, an adequate opportunity to compete was provided, and factors other than the solicitation were responsible for the receipt of one proposal. Additionally, specialized transit planning services are highly specialized within the industry, requiring coordination between social service agencies and transit operators, as well as a comprehensive understanding of funding, challenges, and needs across both sectors. The San Bernardino County Transportation Authority (SBCTA) recently procured similar services and also received a single proposal, from AMMA Transit Planning, Inc.

Utilizing the evaluation criteria set forth in the RFP, the single proposal was evaluated and scored by an evaluation committee comprised of Commission and SBCTA staff. As a result of the evaluation committee's assessment of the written proposal and according to the terms of the RFP, the evaluation committee recommends contract award to AMMA Transit Planning Services, Inc. for Public and Specialized Transit Planning Services as this firm earned the highest total evaluation score.

Accordingly, staff recommends awarding an Agreement No. 26-62-053-00 to AMMA Transit Planning, Inc. (Attachment 1) for a three-year base term with two one-year options to extend the agreement, in an amount not to exceed $740,827. Staff also recommends authorization for the Chair or the Executive Director, pursuant to legal counsel review, to finalize and execute the agreement for these services.

FISCAL IMPACT:

There is no fiscal impact at this time. Funding for this contract will be included in the Commission's proposed FY 2026/27 budget and future budget cycles.

Financial Information							
In Fiscal Year Budget:		N/A	Year:	FY 2026/27 FY 2027/28+	Amount:	$135,000 $605,827	
Source of Funds:	LTF Planning Funds Measure A Specialized Transit Funds				Budget Adjustment:		No
GLA No.:	622305 65520 00000 0000 1060 62 65520 602699 65520 00000 0000 2600 26 65520					$ 95,000 $ 40,000	
Fiscal Procedures Approved:						Date:	04/20/2026

Attachment: Draft Agreement No. 26-62-053-00 with AMMA Transit Planning, Inc.

Approved by the Budget and Implementation Committee on April 27, 2026

In Favor: 12 Abstain: 0 No: 0

Agreement No. 26-62-053-00

RIVERSIDE COUNTY TRANSPORTATION COMMISSION AGREEMENT FOR PUBLIC AND SPECIALIZED TRANSIT PLANNING SERVICES WITH AMMA TRANSIT PLANNING, INC.

1. PARTIES AND DATE.

This Agreement is made and entered into this __ day of _____, 2026, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("the Commission") and AMMA TRANSIT PLANNING, INC. ("Consultant"), a CORPORATION.

2. RECITALS.

2.1 Consultant desires to perform and assume responsibility for the provision of certain professional consulting services required by Commission on the terms and conditions set forth in this Agreement. Consultant represents that it is a professional consultant, experienced in providing public and specialized transit planning services to public clients, is licensed in the State of California, and is familiar with the plans of Commission.

2.2 Commission desires to engage Consultant to render certain consulting services for the public and specialized transit planning services Project ("Project") as set forth herein.

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3. TERMS.

3.1 General Scope of Services. Consultant promises and agrees to furnish to Commission all labor materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately provide professional consulting services and advice on various issues affecting the decisions of Commission regarding the Project and on other programs and matters affecting Commission, hereinafter referred to as "Services". The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules and regulations.

3.2 Term. The term of this Agreement shall be from the date first specified above to June 30, 2029, unless earlier terminated as provided herein. The Commission may extend the term of this Agreement, in its sole discretion, for two additional one-year periods. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.3 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, the Commission shall respond to Consultant's submittals in a timely manner. Upon request of the Commission, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.4 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Consultant under its supervision. Consultant will determine the means, method and details of performing the Services subject to the requirements of this Agreement. Commission retains Consultant on an independent contractor basis and Consultant is not an employee of Commission. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall not be employees of Commission and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.5 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of Commission.

3.6 Substitution of Key Personnel. Consultant has represented to Commission that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence and experience upon written approval of Commission. In the event that Commission and Consultant cannot agree as to the substitution of key personnel, Commission shall be entitled to terminate this Agreement for cause, pursuant to provisions of Section 3.16 of this Agreement. The key personnel for performance of this Agreement are as follows: Dennis Brooks; Andrea Breault; Michelle Zuniga; Elea Carey; Nikita Bitra; and Heather Menninger.

3.7 Commission’s Representative. Commission hereby designates the Executive Director, or his or her designee, to act as its representative for the performance of this Agreement ("Commission’s Representative"). Commission's representative shall have the power to act on behalf of Commission for all purposes under this Agreement. Consultant shall not accept direction from any person other than Commission's Representative or his or her designee.

3.8 Consultant’s Representative. Consultant hereby designates Dennis Brooks, or his or her designee, to act as its representative for the performance of this

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Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.9 Coordination of Services. Consultant agrees to work closely with Commission staff in the performance of Services and shall be available to Commission's staff, consultants and other staff at all reasonable times.

3.10 Standard of Care; Licenses. Consultant shall perform the Services under this Agreement in a skillful and competent manner, consistent with the standard generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from Commission, any Services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein, and shall be fully responsible to the Commission for all damages and other liabilities provided for in the indemnification provisions of this Agreement arising from the Consultant's errors and omissions.

3.11 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to Commission, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold Commission, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

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3.12 Insurance.

3.12.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Commission that it has secured all insurance required under this section, in a form and with insurance companies acceptable to the Commission. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.12.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability:* $2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability:* $2,000,000 per accident for bodily injury and property damage; and (3) *if Consultant has an employees, Workers' Compensation and Employer's Liability:* Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of $1,000,000 per accident.

3.12.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Project, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than $2,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

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3.12.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the Commission to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily Injury and property damage; (2) personal Injury/advertising Injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per Project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent consultants coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give the Commission, its directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from the Commission's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the Commission, its directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the Commission, its directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the Commission, its directors, officials, officers, employees and agents shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

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(C) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against the Commission, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to the Commission, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) All insurance required by this Agreement shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the Commission, its directors, officials, officers, employees and agents. All policies shall waive any right of subrogation of the insurer against the Commission, its directors, officials, officers, employees and agents, or any other additional insureds, or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Commission, its directors, officials, officers, employees, and agents, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

(iv) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Commission (if agreed to in a written contract or agreement) before the Commission's own

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insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(v) Consultant shall provide the Commission at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Commission at least ten (10) days prior to the effective date of cancellation or expiration.

(vi) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vii) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Commission, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(viii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Commission has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Commission will be promptly reimbursed by Consultant or Commission will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Commission may cancel this Agreement. The Commission may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(xi) Neither the Commission nor any of its directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

3.12.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Commission. If the Commission does not approve the deductibles or self-insured retentions as presented, Consultant shall guarantee that, at the option of the Commission, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Commission, its directors, officials, officers, employees and agents; or, (2) the Consultant

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shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.12.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the Commission.

3.12.7 Verification of Coverage. Consultant shall furnish Commission with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the Commission. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the Commission before work commences. The Commission reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.12.8 Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Commission that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Commission as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, the Commission may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

3.13 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.14 Fees and Payment.

3.14.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto. If overhead rates are included in the attached Exhibit "C", such rates shall be fixed for the term of the Master Agreement, and shall not be subject to adjustment, unless required by the applicable funding source. The total compensation shall not exceed Seven Hundred Forty Thousand, Eight Hundred Twenty-

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Seven Dollars ($740,827) without written approval of Commission's Executive Director ("Total Compensation"). Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.14.2 Payment of Compensation. Consultant shall submit to Commission a monthly statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. Commission shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.14.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by Commission.

3.14.4 Extra Work. At any time during the term of this Agreement, Commission may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by Commission to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from Commission's Executive Director.

3.15 Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred and fees charged under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Commission during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.16 Termination of Agreement.

3.16.1 Grounds for Termination. Commission may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof. Upon termination, Consultant shall be compensated only for those services which have been fully and adequately rendered to Commission through the effective date of the termination, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.16.2 Effect of Termination. If this Agreement is terminated as provided herein, Commission may require Consultant to provide all finished or unfinished Documents and Data, as defined below, and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement.

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Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.16.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Commission may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.17 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

CONSULTANT:
AMMA Transit Planning, Inc.
19069 Van Buren Bl.
114-378
Riverside, CA 92508
Attn: Dennis Brooks

COMMISSION:
Riverside County
Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.18 Ownership of Materials/Confidentiality.

3.18.1 Documents & Data. This Agreement creates an exclusive and perpetual license for Commission to copy, use, modify, reuse, or sub-license any and all copyrights and designs embodied in plans, specifications, studies, drawings, estimates, materials, data and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data").

Consultant shall require all subcontractors to agree in writing that Commission is granted an exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement.

Consultant represents and warrants that Consultant has the legal right to grant the exclusive and perpetual license for all such Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the Commission.

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Commission shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Commission's sole risk.

3.18.2 Intellectual Property. In addition, Commission shall have and retain all right, title and interest (including copyright, patent, trade secret and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

The Commission shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by Commission, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of Commission.

Consultant shall also be responsible to obtain in writing separate written assignments from any subcontractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the Commission.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

Commission further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.18.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of Commission, be used by Consultant for any purposes other than the performance of the Services. Nor shall such

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materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Commission's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Commission.

3.18.4 Infringement Indemnification. Consultant shall defend, indemnify and hold the Commission, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Commission of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.18.5 VPN Access. Consultant and its employees shall comply with all security protocols of Commission related to virtual private network ("VPN") access to any Commission Systems which may be enacted. In addition, Consultant agrees to the following, and shall require that any employee of Consultant to whom VPN access will be granted agree to the following, in writing, prior to being granted such access.

a) To protect and keep safe his/her individual secure password;
b) To not share or allow others to use the secure password;
c) To only use the VPN access to perform Services authorized by Commission;
d) To protect any information obtained from Commission Systems, and to use such information only for the purpose of performing the Services, and for no other purpose;
e) To comply with reasonable audit or monitoring activities identified by the Commission in writing;
f) To comply with all confidentiality requirements set forth in this Agreement as pertains to any Commission information or data acquired or accessed related to the VPN access.
g) VPN access shall be utilized appropriately, responsibly, and ethically. Any failure to comply with the obligations set forth in this section will result in, among other things, immediate suspension of the applicable user's VPN access.

Commission reserves the right revoke the Consultant's VPN access at any time, for any reason.

At Commission's request, Consultant shall provide to Commission copies of the agreements with its employees including the required provisions above. Consultant shall be responsible for any violation by its employee(s) of the requirements herein.

3.19 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

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3.20 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of such actions.

3.21 Indemnification. To the fullest extent permitted by law, Consultant shall defend (with counsel of Commission's choosing), indemnify and hold Commission, its directors, officials, officers, employees, consultants, volunteers, and agents free and harmless from any and all claims, fines, penalties, 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 alleged negligent acts, omissions, or willful misconduct of Consultant, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of consequential damages, expert witness fees, and attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against Commission, its directors, officials, officers, employees, consultants, agents, or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against Commission or its directors, officials, officers, employees, consultants, agents, or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse Commission and its directors, officials, officers, employees, consultants, agents, and/or volunteers, for any and all legal expenses and costs, including reasonable attorney's fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Commission, its directors, officials officers, employees, consultants, agents, or volunteers.

If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

Consultant's obligations as set forth in this Section shall survive expiration or termination of this Agreement.

3.22 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be supplemented, amended, or modified by a writing signed by both parties.

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3.23 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.24 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.25 Commission's Right to Employ Other Consultants. The Commission reserves the right to employ other consultants in connection with this Project.

3.26 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties, and shall not be assigned by Consultant without the prior written consent of Commission.

3.27 Prohibited Interests and Conflicts.

3.27.1 Solicitation. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Commission shall have the right to rescind this Agreement without liability.

3.27.2 Conflict of Interest. For the term of this Agreement, no member, officer or employee of Commission, during the term of his or her service with Commission, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.27.3 Conflict of Employment. Employment by the Consultant of personnel currently on the payroll of the Commission shall not be permitted in the performance of this Agreement, even though such employment may occur outside of the employee's regular working hours or on weekends, holidays or vacation time. Further, the employment by the Consultant of personnel who have been on the Commission payroll within one year prior to the date of execution of this Agreement, where this employment is caused by and or dependent upon the Consultant securing this or related Agreements with the Commission, is prohibited.

3.27.4 Employment Adverse to the Commission. Consultant shall notify the Commission, and shall obtain the Commission's written consent, prior to accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against the Commission during the term of this Agreement.

3.28 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex or age. Such

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non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of Commission's Disadvantaged Business Enterprise program, Affirmative Action Plan or other related Commission programs or guidelines currently in effect or hereinafter enacted.

3.29 Subcontracting. Consultant shall not subcontract any portion of the work or Services required by this Agreement, except as expressly stated herein, without prior written approval of the Commission. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.30 Prevailing Wages. By its execution of this Agreement, Consultant certified that it is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. The Commission shall provide Consultant with a copy of the prevailing rate of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the Commission, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.30.1 DIR Registration. If the Services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants must be registered with the Department of Industrial Relations. If applicable, Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

3.31 Employment of Apprentices. This Agreement shall not prevent the employment of properly indentured apprentices in accordance with the California Labor Code, and no employer or labor union shall refuse to accept otherwise qualified employees as indentured apprentices on the work performed hereunder solely on the ground of race, creed, national origin, ancestry, color or sex. Every qualified apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which he or she is employed and shall be employed only in the craft or trade to which he or she is registered.

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If California Labor Code Section 1777.5 applies to the Services, Consultant and any subcontractor hereunder who employs workers in any apprenticeable craft or trade shall apply to the joint apprenticeship council administering applicable standards for a certificate approving Consultant or any sub-consultant for the employment and training of apprentices. Upon issuance of this certificate, Consultant and any sub-consultant shall employ the number of apprentices provided for therein, as well as contribute to the fund to administer the apprenticeship program in each craft or trade in the area of the work hereunder.

The parties expressly understand that the responsibility for compliance with provisions of this Section and with Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code in regard to all apprenticeable occupations lies with Consultant.

3.32 No Waiver. Failure of Commission to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

3.33 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless Consultant or the Services are not subject to the Eight-Hour Law. Consultant shall forfeit to Commission as a penalty, $50.00 for each worker employed in the execution of this Agreement by him, or by any sub-consultant under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless Consultant or the Services are not subject to the Eight-Hour Law.

3.34 Subpoenas or Court Orders. Should Consultant receive a subpoena or court order related to this Agreement, the Services or the Project, Consultant shall immediately provide written notice of the subpoena or court order to the Commission. Consultant shall not respond to any such subpoena or court order until notice to the Commission is provided as required herein, and shall cooperate with the Commission in responding to the subpoena or court order.

3.35 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, and the obligations related to receipt of subpoenas or court orders, shall survive any such expiration or termination.

3.36 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

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3.37 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.38 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.39 Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

3.40 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.41 Conflicting Provisions. In the event that provisions of any attached exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services.

3.42 Headings. Article and Section Headings, paragraph captions or marginal headings contained in this Agreement are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

3.43 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein, without the prior written consent of the Commission. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.44 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.45 Electronically Transmitted Signatures. A manually signed copy of this Agreement which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes. This Agreement may be signed using an electronic signature.

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[Signatures on following page]

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SIGNATURE PAGE
TO
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AGREEMENT FOR PUBLIC AND SPECIALIZED TRANSIT PLANNING SERVICES
WITH AMMA TRANSIT PLANNING, INC.

IN WITNESS WHEREOF, this Agreement was executed on the date first written above.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	**CONSULTANT AMMA TRANSIT PLANNING, INC.**
By: _____	By: _____
Aaron Hake, Executive Director	Signature
	_____
	Name
	_____
	Title
Approved as to Form:	Attest:
By: _____	By: _____
Best Best & Krieger LLP	
General Counsel	Its: _____

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* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to RCTC.

EXHIBIT "A"

SCOPE OF SERVICES

[___INSERT___]

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INTRODUCTION AND BACKGROUND

The Riverside County Transportation Commission (hereinafter referred to as "Commission" or "RCTC") is the designated Regional Transportation Planning Agency and County Transportation Commission for Riverside County. The Commission is responsible for setting policies, establishing priorities and coordinating public transportation services countywide and administering federal, state, and local transit funding programs in partnership with public transit operators, and public and human service organizations.

The Commission oversees a range of public and specialized transit projects that support mobility for seniors, individuals with disabilities, low-income households, and other vulnerable populations. These efforts include coordinating with the California Department of Transportation (Caltrans) on the Federal Transit Administration (FTA) Section 5310 Seniors and Persons with Disabilities Program, administration of the Measure A Specialized Transit Program, and updating the Public Transit–Human Services Coordinated Plan (Coordinated Plan).

To support these efforts, the Commission seeks a qualified professional consultant team ("Consultant") with demonstrated experience in public and specialized transit program administration, federal grant compliance, stakeholder engagement, and transit planning.

PURPOSE AND NEED

RCTC is seeking a Consultant to provide planning services for its Public and Specialized Transit Program. The contract term is for a three-year base term with two optional one-year extensions, for a maximum of five years.

The Consultant shall be responsible for supporting RCTC's public and specialized transit planning efforts in the following areas:

1. Assisting RCTC staff with the administration of the FTA Section 5310 Seniors and Persons with Disabilities Grant Program, including but limited to:
    a. Public outreach and information distribution to current and potential agencies;
    b. Providing technical assistance and training to eligible agencies on their grant application(s), submission, reporting, and compliance;
    c. Working with Caltrans and advocating for program improvements that will benefit Riverside County; and
    d. Participating on the local review panel to review and recommend applications for Riverside County.

2. Assisting RCTC staff with the administration of the Measure A Specialized Transit Program, including but limited to:
    a. Reviewing and providing recommendations to improve program guidelines and overall efficiency and effectiveness;
    b. Supporting the evaluation committee in reviewing and scoring applications;
    c. Conducting at least one site visit for each of the awarded Measure A recipients each award cycle and completing a report of each site visit with findings and recommendations for RCTC and recipient visited; and
    d. Providing a comprehensive report of all site visits with program findings and recommendations for future Measure A Specialized Transit Program improvement.

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3. Updating the Coordinated Plan in accordance with FTA Circular 9070.1H and any subsequent federal guidance, including but not limited to:
    a. Existing conditions assessment, including:
        i. An assessment of available services that identifies current transportation providers (public, private, and nonprofit); and
        ii. An assessment of transportation needs for individuals with disabilities, including those who use wheelchairs, and older adults, and gaps in services.
    b. Stakeholder engagement, including:
        i. Focus groups and interviews with public and human service agencies
        ii. Developing and analyzing online surveys for the general public and public and human service agencies; and
        iii. Organizing and facilitating workshops to develop and prioritize goals and strategies.
    c. Assisting in the development of services and/or programs recommended in the Coordinated Plan, including the review of competitively sought proposals for the recommended services and/or programs;
    d. Providing general technical assistance to RCTC and public and specialized transit operators as requested by RCTC for Coordinated Plan implementation strategies;
    e. Soliciting feedback from stakeholders on the draft Coordinated Plan; and
    f. Completing and presenting the final Coordinated Plan to the Commission approval.

4. Other ad-hoc technical support, including but not limited to:
    a. Analytical support for the Biennial Countywide Transit Report;
    b. Facilitating updates to the transit network database by enabling public transit agencies, human service organizations, non-profits, and specialized transit operators to add their information;
    c. Monitoring of new funding opportunities that will leverage FTA Section 5310 Seniors and Persons with Disabilities Grant Program and Measure A Specialized Transit Program to advance the Commission's goals and objectives; and
    d. Monitoring and researching mobility innovations, policy and regulatory impacts from state and federal agencies, and other industry trends that will improve the delivery of services from public and human service providers.

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The following table summarizes key recurring activities and timelines:

General Calendar of Significant Activities

Activity	Timeline
Caltrans 5310 Call for projects	Annual
Measure A Specialized Transit Call for Projects	Ending Cycle 7 (6/30/2027) Start Cycle 8 (7/1/2027)
Coordinated Plan	Next update 2029

EXHIBIT "B"

SCHEDULE OF SERVICES

[___INSERT___]

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5-Year Project Roadmap

Specialized Transit Program: 5-Year Roadmap

	FY 26/27	FY 27/28	FY 28/29	FY 29/30 (Option Year 1)	FY 30/31 (Option Year 2)
Section 5310	Caltrans/Grantee Support	Call-for-Projects	Caltrans/Grantee Support	Call-for-Projects	Caltrans/Grantee Support
Measure A Specialized Transit	Call-for-Projects	Site Visits/Summary Report	RCTC/Grantee Tech. Asst.	Call-for-Projects	Site Visits/Summary Report
Coordinated Plan	Goal & Strategy Implementation	Goal & Strategy Implementation	Plan Development 50%	Plan Development 50%	Goal & Strategy Implementation
Biannual Performance Report	No Activity	Report Support	No Activity	Report Support	No Activity
Network Database Maintenance	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Monitoring New Funding Opportunities	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing
Ad-Hoc Planning Activities	On-Call As Needed	On-Call As Needed	On-Call As Needed	On-Call As Needed	On-Call As Needed

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EXHIBIT "C"

COMPENSATION

[___INSERT___]

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EXHIBIT "C"

COMPENSATION SUMMARY

TASK NUMBER	TASK DESCRIPTION	COST
Task 1	FTA Section 5310 Program	$ 127,047
Task 2	Measure A Specialized Transit Program	$ 230,192
Task 3	Coordinated Plan Updates	$ 195,529
Task 4	Ad-Hoc Technical Support	$ 188,059
TOTAL COSTS		**$ 740,827**

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AGENDA ITEM 7I

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	May 13, 2026
TO:	Riverside County Transportation Commission
FROM:	Budget and Implementation Committee Tyler Madary, Legislative Affairs Manager
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	State and Federal Legislative Update

BUDGET AND IMPLEMENTATION COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

1) Receive and file a state and federal legislative update.

BACKGROUND INFORMATION:

State Update

Assembly Bill 1855 (Gonzalez) – Update

Through ongoing discussions, RCTC staff learned from Assembly Natural Resources Committee staff that the committee chair is not supportive of amending the code section referenced in Assembly Bill (AB) 1855 nor is the Chair supportive of legislation providing a project-specific California Environmental Quality Act (CEQA) exemption for any project. After discussions with RCTC staff, Assemblymember Jeff Gonzalez (Indio) agreed to pull AB 1855 from committee, effectively stopping the bill from moving forward. RCTC staff is exploring alternative legislative and administrative options to expedite the delivery of the Coachella Valley Rail Project and will keep the Commission informed as opportunities arise.

Assembly Bill 1678 (Harabedian) – Oppose via Platform

On April 10, RCTC staff submitted a letter of opposition to AB 1678 by Assemblymember John Harabedian (Pasadena), which replaces the role of the Metro Gold Line Foothill Extension Construction Authority with a new Claremontclair Authority to oversee delivery of the A Line extension from Claremont to Montclair. The bill was scheduled for hearing in the Assembly Transportation Committee on April 22.

RCTC has a longstanding partnership with the San Bernardino County Transportation Authority (SBCTA), evidenced by our collaboration to ensure the terms of the planned connection across county lines between RCTC's 15 Express Lanes facility and SBCTA's I-15 Corridor Freight and

Express Lanes Project protects all parties. AB 1678 reduces SBCTA's oversight and discretion on a project within its own jurisdiction while exposing San Bernardino County taxpayers to financial obligation to fund A Line service operation. This bill erodes local agency discretion in accountability and sets a concerning precedent for self-help counties – including Riverside County – that have an obligation to deliver promised transportation improvements.

Opposing AB 1678 is consistent with the Commission's adopted 2026 State and Federal Legislative Platform, including under the following sections:

Regional Control
Protect Our Authority and Revenue

- Oppose legislation that restructures or interferes with governance of the Commission or other local and regional transportation agencies without the support and consent of the entity and member agencies affected.

Regional Control
Regional Partnerships

- Engage in legislative efforts impacting regional transportation agencies, particularly when the efforts have a nexus to the Commission.

Assembly Bill 2560 (Schultz) – Oppose via Platform

On April 10, RCTC submitted a letter of opposition to AB 2560 by Assemblymember Nick Schultz (Burbank). The bill codifies the goals of the Climate Action Plan for Transportation Infrastructure (CAPTI) into state law, requiring as applicable their incorporation into state transportation funding program guidelines, including programs funded by Senate Bill (SB) 1 (Beall, 2017) and affirmed by voters in 2018. Tying transportation funding to a fixed set of goals removes flexibility and threatens the ability for inland regions such as Riverside County to compete for funding for transportation improvements that communities most need. The bill was scheduled for hearing in the Assembly Transportation Committee on April 20.

Opposing AB 2560 is consistent with the Commission's adopted 2026 State and Federal Legislative Platform, including under the following sections:

Equity and Fairness

- Ensure that rural, low-income, and disadvantaged communities in Riverside County benefit from equity-based transportation planning and implementation policies.
- Policies should be developed and implemented with regional variance to limit disproportionate impacts on regions with fast-growing populations, including low-income and disadvantaged communities priced out of coastal urban centers.
- Policies should be sensitive to each region's unique needs and avoid "one size fits all" assumptions, over-reliance on single modes of transportation that would disadvantage regional mobility, and lack of distinction between urban, suburban, and rural needs.

Funding

- Support maintaining the legislative intent behind Senate Bill 1 (Statutes 2017) and historic base program funding by:
    - Opposing efforts to deviate from legislative intent and existing statute.
    - Ensuring program guidelines are as broad as possible with respect to mode, to the extent appropriate while adhering to legislative intent.

Climate Action and Air Quality

- Oppose efforts to place new environmental criteria (such as GHG reduction or vehicle miles traveled reduction) on transportation projects and programs without commensurate funding for alternatives or flexibility for mitigation.
- Oppose legislative proposals or implementation measures (programming, funding, environmental review, etc.) associated with the Climate Action Plan for Transportation Infrastructure (CAPTI), Caltrans System Investment Strategy (CSIS), Executive Order N-19-19, Executive Order N-79-20, AB 32 Nunez (Chapter 488, Statutes of 2006), SB 375 Steinberg (Chapter 728, Statutes of 2008), SB 743 Steinberg (Chapter 386, Statutes of 2013), SB 32 Pavley (Chapter 249, Statutes of 2016), AB 1279 Muratsuchi (Chapter 337, Statutes of 2022), or other climate action goals that hinder a just transition to multimodal transportation systems in Riverside County.

Assembly Bill 2168 (Wicks) – Oppose Unless Amended via Platform

On April 17, RCTC submitted a letter of opposition to AB 2168 by Assemblymember Buffy Wicks (Oakland). The bill directs the California Transportation Commission (CTC) to develop Active Transportation Program (ATP) guidelines to maximize the allocation of State Transportation Improvement Program (STIP) funds to ATP projects. As a result, regions may be pressured to select more active transportation projects for inclusion in the STIP in order to remain competitive for ATP funding.

Additionally, AB 2168 requires point reductions for applicants who failed to use previously received program funds in a timely manner. Taken together, these policies could disadvantage ATP application from the communities of Riverside County that need it most.

The bill was scheduled for hearing in the Assembly Transportation Committee on April 20.

Taking an Oppose Unless Amended position for AB 2168 is consistent with the Commission's adopted 2026 State and Federal Legislative Platform, including under the following sections:

Equity and Fairness

- Ensure that rural, low-income, and disadvantaged communities in Riverside County benefit from equity-based transportation planning and implementation policies.

Regional Control

Protect Our Authority and Revenue

- Project selection and planning authority for state/federal funds should be as local as possible, preferably in the hands of the Commission.

Funding

- Support efforts to preserve, stabilize, leverage and/or increase funding for transportation.

Assembly Bill 2059 (Wilson) – Support-if-Amended via Platform

On April 14, RCTC submitted a Support if Amended letter on AB 2059 by Assemblymember Lori Wilson (Suisun City). Under current law, transportation projects across the state must analyze and mitigate vehicle miles traveled (VMT) impacts under CEQA. However, one-size-fits-all implementation has led to cost and feasibility concerns for project delivery – particularly in suburban and rural portions of the state. As a result, VMT mitigation measures have added hundreds of millions of dollars to the cost of transportation projects, in some cases double overall project costs.

As currently written, AB 2059 caps VMT mitigation costs for transportation projects in rural counties at 5 percent of the total project cost. Recognizing that the rest of the state would benefit from inclusion in this policy framework, RCTC requested the author and Assembly Natural Resources Committee consider amendments broadening the framework to cap VMT mitigation costs across all regions. A consistent, statewide framework would ensure that locally responsive transportation mobility improvements can proceed while still supporting the state's climate action goals. The bill was scheduled for hearing in the Assembly Natural Resources Committee on April 20.

A Support if Amended position on AB 2059 is consistent with the Commission's adopted 2026 State and Federal Legislative Platform, including under the following sections:

Key Policy Issues for 2026

- Reforms to Vehicle Miles Traveled (VMT) mitigation requirements that reduce infrastructure project costs and improve project delivery timelines.

Equity and Fairness

- Policies should be sensitive to each region's unique needs and avoid "one size fits all" assumptions, over-reliance on single modes of transportation that would disadvantage regional mobility, and lack of distinction between urban, suburban, and rural needs.

Project Delivery Streamlining

- Support adjustments to SB 743 Steinberg (Chapter 386, Statutes of 2013) VMT modeling, analysis, and mitigation for highway and roadway projects in a manner that recognizes the varying feasibility of multimodal alternatives by region.

Senate Bill 1423 (Stern) – Oppose via Platform

On April 15, RCTC submitted a letter of opposition to SB 1423 by Senator Henry Stern (Sherman Oaks). For nearly 30 years since SB 45 (Kopp, 1997), the STIP has provided flexible formula funds for transportation projects through the Interregional Transportation Improvement Program (ITIP), nominated by the California Department of Transportation, and the Regional Transportation Improvement Program (RTIP), nominated by local transportation agencies. In the 2026 STIP, RCTC is programmed to receive $32.75 million, which will fund highway, local roads, rail, and transit projects.

SB 1423 removes local control and discretion by changing how ITIP and RTIP funding in the STIP can be allocated, requiring 50 percent of funds to be programmed on safe streets projects, which includes sidewalk and curb ramp networks, protected bicycle facilities, safe crossings, traffic calming measures, and Safe Routes to School Projects. The bill also requires prioritization of these funds in transit-development zones pursuant to SB 79 (Wiener, 2025). How this provision would apply to Riverside County, which does not yet qualify as an "urban transit county," is unclear as the implementation of SB 79 is still pending. However, the legislation would certainly divest transportation funds from more rural regions of Riverside County.

Furthermore, SB 1423 renames the Active Transportation Program (ATP) to the Safe Streets Program and makes changes to the program, requiring applicants to a cumbersome two-step application process.

SB 1423 was scheduled for hearing in the Senate Transportation Committee on April 21.

Opposing SB 1423 is consistent with the Commission's adopted 2026 State and Federal Legislative Platform, including under the following sections:

Equity and Fairness

- Policies should be sensitive to each region's unique needs and avoid "one size fits all" assumptions, over-reliance on single modes of transportation that would disadvantage regional mobility, and lack of distinction between urban, suburban, and rural needs.

Regional Control

Protect Our Authority and Revenue

- Project selection and planning authority for state/federal funds should be as local as possible, preferably in the hands of the Commission.

Funding

- Support efforts to preserve, stabilize, leverage and/or increase funding for transportation.

Senate Bill 1087 (Cabaldon) – Support-if-Amended via Platform

On April 15, RCTC submitted a Support if Amended letter on SB 1087 by Senator Christopher Cabaldon (Yolo). The bill modernizes the development and approval of Regional Transportation Plans (RTP)/Sustainable Communities Strategies (SCS) in a manner that makes the goals of SB 375 (Steinberg, 2008) achievable. Sponsored by the four largest metropolitan planning organizations in the state including the Southern California Association of Governments (SCAG), SB 1087 would lengthen the SCS cycle, establish necessary guardrails for the transparent and timely development and approval of the RTP/SCS, remove programmatic CEQA review requirements for the RTP/SCS, and reform the Alternative planning Strategy process to set regions up for success.

Staff have been engaging in constructive discussions with SCAG staff. RCTC requested the author and Chair of the Senate Transportation Committee consider amendments to the bill such as preserving the CTC's discretion in the administration of SB 1 (Beall, 2017) funding and delegating RTP/SCS approval authority to the CTC, in consultation with the California Air Resources Board. Together, these amendments would protect SB 1 funding programs from interferences, better account for regional needs, and maximize the results-driven approach set forth throughout the bill.

SB 1087 was scheduled for hearing in the Senate Transportation Committee on April 21.

A Support if Amended position on SB 1087 is consistent with the Commission's adopted 2026 State and Federal Legislative Platform, including under the following sections:

Equity and Fairness

- Ensure that rural, low-income, and disadvantaged communities in Riverside County benefit from equity-based transportation planning and implementation policies.
- Policies should be developed and implemented with regional variance to limit disproportionate impacts on regions with fast-growing populations, including low-income and disadvantaged communities priced out of coastal urban centers.
- Policies should be sensitive to each region's unique needs and avoid "one size fits all" assumptions, over-reliance on single modes of transportation that would disadvantage regional mobility, and lack of distinction between urban, suburban, and rural needs.

Funding

- Support maintaining the legislative intent behind Senate Bill 1 (Statutes 2017) and historic base program funding by:
    - Opposing efforts to deviate from legislative intent and existing statute.
    - Ensuring program guidelines are as broad as possible with respect to mode, to the extent appropriate while adhering to legislative intent.

Environment

- Encourage efforts to limit impacts to the climate, air quality, and habitats in a manner that promotes improved quality of living and equitable outcomes for residents of Riverside County, provided that these efforts are sufficiently funded and do not negatively impact the mission of RCTC.

Project and Programs

- Support programs and policies that advance transportation projects in Riverside County.

Alternatives to Driving

- Support the continued development of a multimodal transit system in Riverside County that promotes equitable access through geographic reach and service frequency, commuter mobility choice, and environmental sustainability, as well as maximizes regional competitiveness for state and federal funding.

Federal Update

Fiscal Year 2027 Appropriations

As previously reported, RCTC staff submitted applications to Riverside County's congressional delegation for Community Project Funding (CPF)/Congressionally Directed Spending (CDS), otherwise known as earmarks, for Fiscal Year 2027. As of the writing of this report, the following requests were submitted by Members of Congress to the House Appropriations Committee:

- $15 million for the 91 Eastbound Corridor Operations Project (91 ECOP), submitted to Representative Young Kim (Anaheim); and
- $3 million for the Mead Valley Metrolink Station/Mobility Hub, submitted to Representative Mark Takano (Riverside).

Representative Kim opted to combine RCTC's $10 million request and Orange County Transportation Authority's $5 million request for the 91 ECOP into a single request for both agencies.

The following CPF/CDS requests remained under review as of the writing of this report:

- $10 million for the Interstate 15 Express Lanes Project Southern Extension, submitted to Representative Ken Calvert (Corona);
- $3 million for the Interstate 15 Express Lanes Project Southern Extension, submitted to Senators Alex Padilla and Adam Schiff; and
- $3 million for a new regional arterial in the communities of Hemet, San Jacinto, and Winchester (formerly the State Route 79 Realignment Project), submitted to Senators Alex Padilla and Adam Schiff.

Unfortunately, RCTC's $5 million CPF request to Representative Raul Ruiz (Indio) for the establishment of a new regional arterial in the communities of Hemet, San Jacinto, and Winchester (formerly the State Route 79 Realignment Project) was not advanced to the House Appropriations Committee for consideration.

In order for a CPF/CDS to be funded, the request must be submitted by a Member of Congress to the Appropriations subcommittee, be selected by the subcommittee to be included in the subcommittee's appropriations legislation, and pass both houses of Congress before being signed by the President. Congress will hold subcommittee markup hearings on FY 27 Appropriations bills as they seek to pass a federal budget bill by September 30. Staff will keep the Commission updated as the process continues.

FISCAL IMPACT:

This is a policy and information item. There is no fiscal impact.

Attachments:
1) Legislative Matrix – May 2026
2) AB 1678 (Harabedian) Oppose Letter
3) AB 2560 (Schultz) Oppose Letter
4) AB 2059 (Wilson) Support if Amended Letter
5) SB 1423 (Stern) Oppose Letter
6) AB 2168 (Wicks) Oppose Unless Amended Letter
7) SB 1087 (Cabaldon) Support if Amended Letter

RIVERSIDE COUNTY TRANSPORTATION COMMISSION - POSITIONS ON STATE AND FEDERAL LEGISLATION – MAY 2026

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
AB 334 (Petrie-Norris)	Current state law limits the sharing of toll customer data necessary for interoperability with other states, limiting toll operators' ability to collect toll revenue from out-of-state drivers in an efficient manner. The existing process is cumbersome, requires significant staff time, and may lead to penalties on customers that may otherwise be avoided. AB 334 enables toll operators in California, such as RCTC, to participate in a future national interoperability program, enhancing service to customers and streamlining the transaction process.	Ordered to Senate Inactive File on 9/13/2025. Two-year bill.	*Support*	4/9/2025
AB 1145 (Gonzalez)	Requires the California Department of Transportation to conduct a study on State Highway Route 74 by December 31, 2027 with a goal of improving safety of travelers and address enforcement of commercial vehicle facility bypassing.	Senate Transportation hearing canceled at the request of the author on 7/1/2025. Two-year bill.	*Support*	7/11/2025
AB 1678 (Harabedian)	Reduces the San Bernardino County Transportation Authority's oversight and discretion on a project within its own jurisdiction, setting a concerning precedent for self-help counties such as Riverside County that have an obligation to deliver promised transportation improvements.	Hearing in the Assembly Transportation Committee on 4/22/2026.	*Oppose Based on Platform*	4/10/2026
AB 1855 (Gonzalez)	Expands California Environmental Quality Act (CEQA) exemptions for certain passenger rail projects, including the Coachella Valley Rail Project.	Held in the Assembly Natural Resources Committee at the request of the author and sponsor.	*Sponsor*	3/11/2026
AB 2059 (Wilson)	Caps vehicle miles traveled (VMT) mitigation costs for transportation projects in rural counties at 5 percent of the total project cost. RCTC requested amendments to broaden the framework to cap VMT mitigation costs across all regions in the state.	Hearing in the Assembly Natural Resources Committee on 4/20/2026.	*Support if Amended Based on Platform*	4/14/2026
AB 2168 (Wicks)	Directs the CTC to develop Active Transportation Program (ATP) guidelines maximizing allocation of State Transportation Improvement Program (STIP) formula funds to ATP projects. AB 2168 also requires point reductions for applicants who failed to use previously awarded funds in a timely manner.	Hearing in the Assembly Transportation Committee on 4/20/2026.	*Oppose Unless Amended Based on Platform*	4/17/2026

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
AB 2560 (Schultz)	Codifies the goals of the Climate Action Plan for Transportation Infrastructure into state law, requiring their incorporation into state transportation funding program guidelines, removing flexibility and threatening RCTC's ability to compete for transportation improvements communities most need.	Hearing in the Assembly Transportation Committee on 4/20/2026.	*Oppose Based on Platform*	4/10/2026
SB 512 (Pérez)	SB 512 provides statutory clarity confirming that transportation agencies with existing sales tax authority may administer a voter-approved transactions and use tax as determined by a citizens' initiative.	Passed out of the Assembly on 9/4/2025. Assembly amendments concurred in on 9/11/2025. Vetoed by Governor on 10/13/2025.	*Support Based on Platform*	7/9/2025
SB 1087 (Cabaldon)	Modernizes the development and approval of Regional Transportation Plans (RTP)/Sustainable Communities Strategies (SCS) with intention to make the goals of SB 375 (Steinberg, 2008) achievable. RCTC requested amendments to preserve the California Transportation Commission's (CTC) role in administering SB 1 funds and delegating RTP/SCS approval authority to the CTC.	Hearing in the Senate Transportation Committee on 4/21/2026.	*Support if Amended Based on Platform*	4/15/2026
SB 1423 (Stern)	Removes local control and discretion by changing how Interregional Transportation Improvement Program and Regional Transportation Improvement Program funds can be allocated, requiring 50 percent of funds to be programmed on safe streets projects.	Hearing in the Senate Transportation Committee on 4/21/2026.	*Oppose Based on Platform*	4/15/2026

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April 10, 2026

The Honorable Lori Wilson
Chair, Assembly Transportation Committee
1020 N Street, Room 112
Sacramento, CA 95814

Subject: AB 1678 (Harabedian) — Oppose

Dear Chair Wilson:

On behalf of the Riverside County Transportation Commission (RCTC), I write in respectful opposition to Assembly Bill (AB) 1678 by Assemblymember John Harabedian. This bill replaces the role of the Metro Gold Line Foothill Extension Construction Authority with a new Claremontclair Authority to oversee delivery of the A Line extension from Claremont to Montclair.

RCTC strongly believes in collaboration, partnership, and local control in regional transportation planning decisions. This is evident in our longstanding work with partners in Riverside County and across the region, including the San Bernardino County Transportation Authority (SBCTA). Through sound governance and effective collaboration, RCTC and SBCTA have jointly advanced billions of dollars in critical transportation investments to support our region's growing population and economy. RCTC and SBCTA have also deliberately and collaboratively negotiated to ensure the terms of the planned seamless connection across county lines between RCTC's 15 Express Lanes facility and SBCTA's I-15 Corridor Freight and Express Lanes Project protects all parties. It is with this partnership in mind that we are deeply concerned with the precedent set by AB 1678 and its overreach into SBCTA's authority.

Notably, AB 1678 reduces SBCTA's discretion and oversight on a project within its own jurisdiction, while exposing SBCTA and San Bernardino County taxpayers to financial obligations to fund A Line service operation in the county. SBCTA was established by law to plan, fund, and deliver transportation solutions in San Bernardino County and manage the county's transportation resources. SBCTA's leadership and public trust in this space is evident through their administration and stewardship of Measure I, a locally controlled sales tax measure to fund transportation solutions that was approved by more than two-thirds of county voters. AB 1678 interferes with the will of the voters to entrust SBCTA with effectively planning for and delivering local transportation solutions.

Riverside County, like San Bernardino County, is a self-help county. Eroding local agency discretion in decision-making drives uncertainty in accountability and sets a troubling precedent for every self-help county with an obligation to deliver promised transportation improvements and services in an efficient, cost-effective manner.

For these reasons, RCTC respectfully opposes AB 1678. Thank you for your consideration. Should you have any questions regarding RCTC's opposition, please contact me at ahake@rctc.org or (951) 787-7141.

Sincerely,



Aaron Hake
Executive Director

CC: The Honorable John Harabedian, Assembly District 41
Members, Assembly Transportation Committee
Members, Riverside County Legislative Delegation
Ms. Carrie Schindler, Executive Director, San Bernardino

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April 10, 2026

The Honorable Lori Wilson
Chair, Assembly Transportation Committee
1020 N Street, Room 112
Sacramento, CA 95814

Subject: AB 2560 (Schultz) — Oppose

Dear Chair Wilson:

On behalf of the Riverside County Transportation Commission (RCTC), I write in respectful opposition to Assembly Bill (AB) 2560 by Assemblymember Nick Schultz. As the transportation planning agency for Riverside County, RCTC works tirelessly to deliver multimodal transportation solutions that improve mobility for the people of Riverside County. Unfortunately, AB 2560 jeopardizes these efforts.

Specifically, AB 2560 requires the incorporation of Climate Action Plan for Transportation Infrastructure (CAPTI) goals into state transportation funding program guidelines, including programs funded by Senate Bill 1 (2017) and protected by voters in 2018. Limiting the types of projects that would be most competitive for these critical, limited state funds undermines the will of the voters to fund transportation solutions their communities most need.

RCTC is at the forefront in delivering transportation improvements of all modes, including rail and bus transit, active transportation, and highway improvements. However, Riverside County contains rural, urban, and suburban communities and is expected to add more than 500,000 residents by 2048. Meanwhile, our region is at the center of goods movement between the ports and the rest of the country, underscoring the need to take an "all of the above" approach to meeting our diverse transportation needs.

AB 2560 threatens to restrict the ability of inland regions to compete for funding for transportation improvements that support their rapid population growth. Robust state investments are required to facilitate the development of interconnected multimodal transportation systems, and narrowing access to already limited funding programs is not the answer. CAPTI is a relatively new framework, and more time is required for its impacts to be studied before codification of its goals should be explored.

Thank you for your consideration. Should you have any questions regarding RCTC's opposition to the bill, please contact Legislative Affairs Manager Tyler Madary at tmadary@rctc.org or (951) 787-7141.

Sincerely,

Aaron Hake
Executive Director

CC: The Honorable Nick Schultz, Assembly District 44
Members, Assembly Transportation Committee
Members, Riverside County Legislative Delegation

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April 14, 2026

The Honorable Isaac Bryan
Chair, Assembly Natural Resources Committee
1020 N Street, Room 164
Sacramento, CA 95814

Subject: AB 2059 (Wilson) — Support if Amended

Dear Chair Bryan:

On behalf of the Riverside County Transportation Commission (RCTC), I write to share our Support if Amended position for Assembly Bill (AB) 2059 by Assemblymember Lori Willson. RCTC commends Assemblymember Wilson for leading this important conversation to reform the vehicle miles traveled (VMT) analysis and mitigation requirements under the California Environmental Quality Act in a manner that makes the delivery of vital transportation improvements and the goals of Senate Bill 743 (Steinberg, 2013) achievable.

As currently written, AB 2059 caps VMT mitigation costs for transportation projects in rural counties at 5 percent of the total project cost. While this language would reduce project delivery costs and provide greater certainty for transportation projects in rural counties, the rest of the state would benefit from inclusion in this policy framework. California's one-size-fits-all implementation of SB 743 has led to skyrocketing VMT mitigation costs, in some cases doubling transportation project delivery costs. In practice, these increased costs could delay or altogether prevent RCTC's ability to deliver multimodal transportation solutions that support Riverside County's growing population and economy.

As such, RCTC respectfully requests Assemblymember Wilson and the Assembly Natural Resources Committee consider amendments to broaden the framework of AB 2059 to cap VMT mitigation costs across all regions. Developing a consistent, statewide framework that is equitably applied to counties and regions of all populations and densities would ensure that locally responsive transportation mobility improvements can proceed while still supporting the state's climate action goals.

Thank you for your consideration. RCTC values Assemblymember Wilson's forward-looking leadership to balance important state policy goals with Californians' quality of living top of mind and looks forward to continuing discussions to advance our shared priorities. Should you have any questions regarding RCTC's Support if Amended position, please contact me at ahake@rctc.org or (951) 787-7141.

Sincerely,

Aaron Hake
Executive Director

CC: The Honorable Lori Wilson, Assembly District 11
Members, Riverside County Legislative Delegation

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April 15, 2026

The Honorable Dave Cortese
Chair, Senate Transportation Committee
State Capitol, Room 405
Sacramento, CA 95814

Subject: SB 1423 (Stern) – Oppose

Dear Chair Cortese:

On behalf of the Riverside County Transportation Commission (RCTC), I write in respectful opposition to Senate Bill (SB) 1423 by Senator Henry Stern. As the transportation planning agency for Riverside County, RCTC works tirelessly to deliver multimodal transportation solutions that improve mobility for the people of Riverside County. As written, SB 1423 upends these efforts by severely limiting our ability to invest in the transportation infrastructure Riverside County's residents want and need.

Under current law dating back to SB 45 (Kopp, 1997), agencies are empowered to use Interregional Transportation Improvement Program (ITIP) and Regional Transportation Improvement Program (RTIP) funds on the projects local communities need the most, including active transportation, highways and local roads, and transit and rail. For nearly 30 years, these flexible funds have contributed to delivering projects in Riverside County, including the Coachella Valley Rail Project—planned daily intercity rail service between Los Angeles and Coachella Valley; grade separation projects along critical goods movement and mobility corridors; and CV Link—a 40-mile transportation corridor and recreation pathway in the Coachella Valley. However, SB 1423 interferes with local control by requiring 50 percent of ITIP and RTIP funds to be programmed on safe streets projects.

Additionally, the bill requires prioritization of these funds in transit-development zones pursuant to SB 79 (Weiner, 2025). How exactly this provision would apply to Riverside County—which does not yet qualify as an "urban transit county"—is unclear as the implementation of SB 79 is still pending. But if these investments were to be limited to within a half mile of "major transit stops" per Section 21064.3 of the Public Resources Code, this would represent a dramatic divestment of ITIP and RTIP funds away from less populated areas in a county the geographic size of New Jersey.

RCTC is at the forefront in delivering transportation improvements of all modes, including rail and bus transit, active transportation, and highway improvements. However, Riverside County contains rural, urban, and suburban communities and is expected to add more than 500,000 residents by 2048. Meanwhile, our region is at the center of goods movement between the ports and the rest of the country, underscoring the need to take an "all of the above" approach to meeting transportation needs. The diverse needs of our region require both robust investments from state and federal partners, as well as maximized discretion for RCTC to apply those funds to transportation improvements that are most responsive to community needs. Unfortunately, SB 1423 removes this discretion.

Furthermore, the bill makes changes to the Active Transportation Program requiring applicants to undergo a cumbersome multi-step application process. The existing application and guideline development process led by the California Transportation Commission is done collaboratively with stakeholder input considered. How a two-step application process would improve the submittal and review process is unclear.

For these reasons, RCTC respectfully opposes SB 1423. Should you have any questions regarding RCTC's opposition to the bill, please contact Legislative Affairs Manager Tyler Madary at tmadary@rctc.org or (951) 787-7141.

Sincerely,

Aaron Hake
Executive Director

CC: The Honorable Henry Stern, Senate District 27
Members, Riverside County Legislative Delegation

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April 17, 2026

The Honorable Lori Wilson
Chair, Assembly Transportation Committee
1020 N Street, Room 112
Sacramento, CA 95814

Subject: AB 2168 (Wicks)—Oppose Unless Amended

Dear Chair Wilson:

On behalf of the Riverside County Transportation Commission (RCTC), I write to share our oppose unless amended position on Assembly Bill (AB) 2168 by Assemblymember Buffy Wicks. While RCTC previously submitted a letter of opposition to the bill on April 13, recent amendments addressed our concerns related to the prioritization of projects that allocate 50 percent or more of State Transportation Improvement Program (STIP) programming capacity to active transportation improvements. RCTC appreciates the author's willingness to remove this language, however concerns remain on provisions that could disadvantage active transportation projects in Riverside County.

RCTC agrees with the concept of leveraging state funds on network-level active transportation improvements to improve connectivity and mobility choice for residents. However, local agencies rely on the flexibility of STIP funds to meet the transportation needs of their communities. AB 2168 creates a situation where an agency's ATP application could be placed at a disadvantage if, instead of utilizing STIP funds to scale active transportation projects, they opt to fund other critical transportation improvements their communities need. As such, RCTC respectfully requests the following language be removed from the bill:

- *"(12) Recommendations to maximize ~~commitments of state transportation improvement program~~ funds to projects funded by the program in order to scale funding for larger or network-level active transportation improvements."*

AB 2168 would also require point reductions for applicants who failed to use previously received program funds in a timely manner. While well-intentioned, this removes the discretion of the CTC to balance the merits of each application in the context of the applicant's capacity and needs. RCTC supports the timely delivery of projects to meet the expectations of residents and stakeholders. However, large projects often contain unanticipated delays and setbacks, which can be challenging for smaller agencies to manage while meeting original project schedules. With this in mind, RCTC recommends the following language be removed from AB 2168:

- *~~"(k) The guidelines shall include a progressive range of penalties that range from a deduction of points to disqualification for an applicant that failed to use previously received program funds in a timely manner. In doing so, the commission shall consider factors that are not under the control of an applicant."~~*

Alternatively to this language, RCTC encourages discussions take place about how the state can support small agencies with highly competitive projects to delivery – rather than penalize them. RCTC is a willing partner to work with the committee and author's office to support these efforts.

Thank you for your consideration. Should you have any questions regarding RCTC's proposed amendments, please contact Legislative Affairs Manager Tyler Madary at tmadary@rctc.org or (951) 787-7141.

Sincerely,

Aaron Hake
Executive Director

CC: The Honorable Buffy Wicks, Assembly District 14
Members, Assembly Transportation Committee
Members, Riverside County Legislative Delegation

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April 15, 2026

The Honorable Dave Cortese
Chair, Senate Transportation Committee
State Capitol, Room 405
Sacramento, CA 95814

Subject: SB 1087 (Cabaldon)—Support if Amended

Dear Chair Cortese:

On behalf of the Riverside County Transportation Commission (RCTC), I write to express our Support of Amended position for Senate Bill (SB) 1087 by Senator Christopher Cabaldon. RCTC supports efforts to modernize the development and approval of Regional Transportation Plans (RTP) / Sustainable Communities Strategies (SCS) in a manner that supports the delivery of vital transportation improvements and makes the goals of SB 375 (Steinberg, 2008) achievable for all regions across the state.

Since 2020, Riverside County has experienced the largest population increase in the state and is expected to add more than 500,000 residents by 2048. Meanwhile, our region is at the center of goods movement between the ports and the rest of the country, underscoring the need for a balanced approach to meeting transportation needs. As a result, RCTC is at the forefront in delivering multimodal transportation improvements, including passenger rail and bus transit, active transportation, and highway and roadway improvements.

RCTC is supportive of SB 1087's provisions to lengthen the SCS cycle, establish necessary guardrails for the transparent and timely development and approval of the RTP/SCS, remove programmatic California Environmental Quality Act review requirements for the RTP/SCS, and reform the Alternative Planning Strategy process to set regions up for success. However, RCTC requests amendments to address unintended consequences of the legislation.

RCTC values the ongoing thoughtful engagement of the sponsors of SB 1087, particularly the Southern California Association of Governments, to explore opportunities to improve the legislation to avoid unintended consequences such as potential constraints on guideline development and award of SB 1 (Beall, 2017) program funding, which voters affirmed in 2018. To address these concerns, RCTC requests amendments to preserve the existing discretion of the California Transportation Commission (CTC) in its administration of the Solutions for Congested Corridors Program. Preserving this discretion will allow the CTC to balance the merits of each application in the context of the applicant's regional needs, including awards to projects that are in the RTP, as well as improvements exempt from being included in the RTP.

Additionally, RCTC requests consideration of delegating RTP/SCS approval authority to the CTC, in consultation with the California Air Resources Board (ARB). While ARB has historically led the Greenhouse Gas reduction target setting and methodology development for the SCS, RCTC believes that redirecting approval authority to the CTC—with the consultation of ARB—would maximize the results-driven approach of SB 1087.

Thank you for your consideration. RCTC looks forward to working with Senator Cabaldon to ensure that SB 1087 provides an RTP/SCS framework that is equitably applied to counties and regions of all populations and densities so locally responsive transportation mobility improvements can proceed while still supporting the state's climate action goals. Should you have any questions regarding RCTC's Support if Amended position, please contact Legislative Affairs Manager Tyler Madary at tmadary@rctc.org or (951) 787-7141.

Sincerely,

Aaron Hake
Executive Director

CC: The Honorable Christopher Cabaldon, Senate District 3
Members, Riverside County Legislative Delegation

AGENDA ITEM 8

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	May 13, 2026
TO:	Riverside County Transportation Commission
FROM:	Western Riverside County Programs and Projects Committee Jeff Dietzler, Capital Projects Manager David Thomas, Tolling Project Delivery Director
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	Interstate 15 Express Lanes Project Southern Extension Progressive Design-Build Phase 1 Agreements

WESTERN RIVERSIDE COUNTY PROGRAMS AND PROJECTS COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

1) Award Agreement No. 25-31-007-00 to SC Constructors (a joint-venture composed of Skanska USA Civil West, California District Inc. and Coffman Specialties Inc.) to initiate Progressive Design-Build Phase 1 of the Interstate 15 (I-15) Express Lanes Project Southern Extension (ELPSE) (Project), in the amount of $38,457,635 with a Design Option amount not to exceed $11,600,000 plus a contingency amount of $5,005,764 for a total amount not to exceed $55,063,399;
2) Award Change Order No. 46 to Agreement No. 16-31-043-00 for the I-15 ELPSE with Kapsch TrafficCom USA Inc. (Kapsch) to provide design services in support of the Project in the amount of $1,134,185 with an estimated Design Option support cost of $330,000 plus a contingency amount of $146,419 for a total amount not to exceed $1,610,604;
3) Approve Memorandum of Understanding (MOU) No. 26-31-044-00 with the city of Corona for the I-15 ELPSE;
4) Approve MOU No. 26-31-043-00 with the city of Lake Elsinore for the I-15 ELPSE;
5) Authorize the Executive Director or designee to negotiate and finalize Toll Facility Agreement No. 26-31-055-00 with Caltrans for the I-15 ELPSE;
6) Authorize the Chair or Executive Director, pursuant to legal counsel review and receipt of funding authorization (E-76), to execute the agreements on behalf of the Commission; and
7) Authorize the Executive Director or designee to approve contingency work up to the total amount not to exceed as required for the Project.

BACKGROUND INFORMATION:

Project Overview

The Riverside County Transportation Commission (RCTC), in cooperation with Caltrans and local agencies, is advancing the I-15 ELPSE to address growing congestion along the I-15 corridor. The Project will extend the existing I-15 Express Lanes south from Cajalco Road in the city of Corona to State Route 74 (Central Avenue) in the city of Lake Elsinore, adding two tolled express lanes in each direction within the freeway median for approximately 15.8 miles. Improvements include widening up to 15 bridges, constructing auxiliary lanes, installing electronic toll collection systems, and implementing drainage and noise abatement features — all within existing State right of way. The Project is being delivered through a Progressive Design-Build (PDB) approach and is anticipated to open to traffic by 2030. See Figure 1 below for a project location map. The I-15 ELPSE meets a Measure A commitment and is identified in the Commission adopted 2019-2029 Highway Delivery Plan.

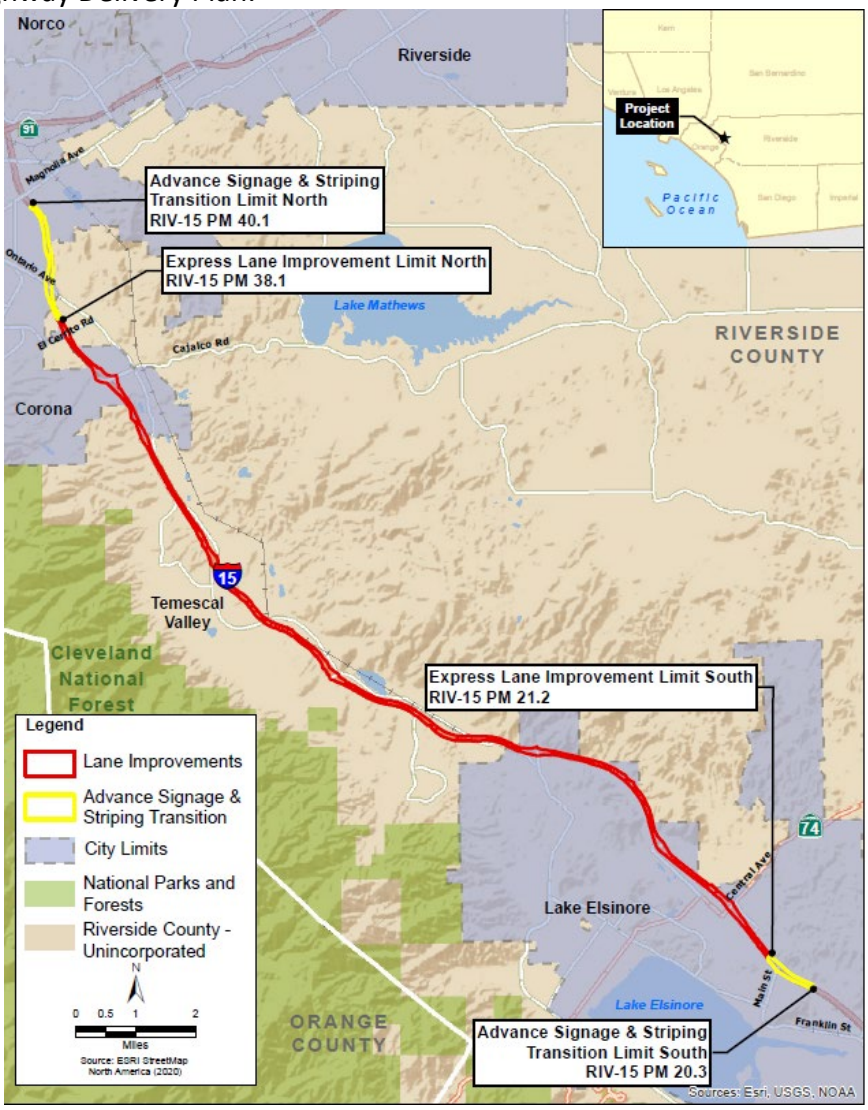


Figure 1 – Project Location

PDB Overview

The PDB project delivery approach is a progressive process where the design-builder is selected based upon a qualifications-based procurement process, followed by RCTC and the design-build contractor collaboratively "progressing" the design and contract price towards mutual price and scope agreement.

The PDB approach develops the Project under two distinct phases through a single contract. The first phase, commonly referred to as the preconstruction phase, or simply Phase 1, advances preliminary engineering work collaboratively between RCTC and the contractor. During Phase 1 the parties use an open-book cost estimating approach to negotiate the scope and cost for the Project and, if a cost agreement is reached, the Project progresses into Phase 2 to perform final design and construction. The contract will initially authorize work relating only to Phase 1 and may be amended in accordance with its terms to include the Phase 2 work.

In the event a price agreement cannot be reached between the parties for the Phase 2 work, an 'off-ramp' option can be taken by RCTC at any time during Phase 1 with one or more of the following actions as possibilities:

- Amend the Phase 1 contract for the PDB Contractor to perform the final design or issue a new contract to the designer to complete the design.
- Commence a new procurement for both final design and construction using the traditional design-bid-build methodology.
- Re-advertise and commence a best value Design-Build (DB) procurement for a new design-builder.

RCTC has statuary authority under SB 617 to implement progressive design-build utilizing a qualification-based selection.

DISCUSSION:

PDB Procurement

Pursuant to Government Code 22180 et seq, the selection of a DB entity shall be based on demonstrated competence and on professional qualifications necessary for the satisfactory performance of the services required. Therefore, staff used the qualification method of selection for the procurement of these services. Evaluation criteria included elements such as qualifications of firm, qualifications of personnel, project understanding and approach, and the ability to respond to the requirements set forth under the terms of the request for qualifications (RFQ).

RFQ No. 25-31-007-00 for the ELPSE was released by staff on February 24, 2025. The RFQ was posted on the Commission's Planet Bids website, which is accessible through the Commission's website. Through Planet Bids, 88 firms downloaded the RFQ. A pre-submittal meeting was held

on March 6, 2025, and was attended by 32 firms. Staff responded to all questions submitted by potential proposers prior to the clarification deadline.

Four (4) firms submitted responsive and responsible statements of qualifications prior to the 2:00 p.m. submittal deadline on April 23, 2025:

1. Flatiron Dragados Constructors – Flatiron Dragados with Michael Baker
2. Granite Construction Company – Granite Construction with Wood Rogers and TY Lin
3. Temescal Valley Partners JV – Atkinson Construction, Myers & Sons with Jacobs
4. SC Constructors – Skanska USA Civil, Coffman Specialties with TYPSA/Aztec

Based on the evaluation criteria set forth in the RFQ, the submitting firms were evaluated and scored by an evaluation committee comprised of Commission, city of Corona, city of Lake Elsinore, and Caltrans staff. Two (2) of the four firms were short-listed on May 14, 2025 (Flatiron Dragados Constructors and SC Constructors) and submitted final Statements of Qualifications (SOQs) on September 12, 2026.

The evaluation committee conducted a subsequent evaluation of each short-listed firm's submitted SOQ based on both written and submitted components presented to the evaluation committee by each proposer. One short-listed firm was found non-responsive and was eliminated from the procurement. Accordingly, the evaluation committee selected SC Constructors (SCC) as the preferred proposer.

Subsequently, beginning in January 2026, staff began cost negotiations to deliver the Phase 1 scope. In March 2026, the project team completed scope and fee negotiations with the preferred PDB team, SCC. Staff find the negotiated cost of $38,457,635 to be fair and reasonable and are seeking Commission approval for the award of the PDB Phase 1 contract.

The following are the key milestone dates:

Activity	**Expected Date**
Phase 1 Scope and Price Negotiations	January 2026 - March 2026
Final Caltrans Contract Award Approval	March 2026
Federal and State Funding Authorizations	April 2026
PDB Phase 1 Commission Approval	May 2026
PDB Phase 2 Commission Approval	Estimated Fall 2027
Final Design and Construction Phase	Approximately 3 years

Toll System Design and Upgrades

To support the I-15 ELPSE design and ensure seamless interoperability across RCTC's tolling network, staff recommend executing Change Order 46 to the toll services agreement with Kapsch (16-31-043-00) in support of the Phase 1 design development. Kapsch is the Commission's

current provider of on-road toll systems for both the 91 and 15 Express Lanes and their current contract expires in 2041.

The Commission has made a significant investment in the systems which operate the existing on-road toll collection system. The I-15 ELPSE will be an extension of the existing 15 Express Lanes and as such the core systems that operate the 15 Express Lanes would also be used for the I-15 ELPSE. The use of Kapsch as the on-road toll system provider will result in significant financial savings and provide seamless customer experience.

During the design of the 15 Express Lanes, Kapsch provided input into the roadway design as it relates to the location of toll equipment and the specifications of tolling infrastructure to be provided by the Design Builder. Kapsch input was valuable to ensure the installation of tolling systems was successful. As such, Kapsch's input into the roadway design during the ELPSE Phase 1 is needed to ensure the required tolling infrastructure is included in the Phase 1 design. This Change Order 46 is for Kapsch to coordinate with the PDB contractor to provide input into the roadway design and review preliminary locations of tolling equipment and infrastructure.

The existing Kapsch contract provides a process for the issuance of change orders. Those change order provisions include pre-negotiated rates for Kapsch personnel by position. Staff have followed the change order process to determine the Kapsch level of effort related to the design of the I-15 ELPSE roadside toll system in support of PDB Phase 1. The labor hours provided by Kapsch appear to be fair and reasonable. The resulting change order cost has been calculated by applying the Kapsch labor hours to the pre-negotiated contract rates, arriving at a cost of $1,134,185, which is fair and reasonable for their scope of work.

Phase 1 Design Option

As noted previously, Phase 1 consists of developing the Project preliminary design as the basis to quantify and price final design and construction, or Phase 2, of the Project. Through negotiations with SCC, the Project schedule is currently estimated to take 14 months from Phase 1 Notice To Proceed to achieve the cost concurrence Guaranteed Maximum Price (GMP) milestone. The SCC design team supporting the development of the GMP will go 'pencils down' with their preliminary design effort approximately three months *prior to* GMP to allow final cost estimating by the DB Contractor and verification of the costs by RCTC's Independent Cost Estimator (ICE). Assuming the parties reach a GMP agreement, administratively it will take approximately four additional months to finalize all the required documents for a Phase 2 contract amendment and receive all the required Commission and agency approvals, including obtaining formal Caltrans and FHWA funding authorizations. Cumulatively, this process would require the SCC design team to be idle approximately seven months before receiving authorization to begin Phase 2 work.

Staff believe it is in the Project's best interest to continue preliminary design development in parallel with reaching GMP agreement and preparing the Phase 2 amendment. With that goal in mind, staff recommends a "Design Option" to continue design efforts for the period from the 'pencils down' milestone through to award of a Phase 2 amendment by the Commission. This

Design Option is broken into two time periods: the first being the time from 'pencils down' to GMP, and the second from GMP agreement to award of the Phase 2 contract amendment. The first Design Option would be executed leading up to the 'pencils down' milestone and will be based on an assessment of the collaborative alignment with the DB Contractor that a GMP agreement can be reached. The second Design Option would be executed upon GMP agreement between the parties. The Phase 1 Design Option pricing will be negotiated in the future with SCC prior to execution of each option, with the first Design Option estimated at $3,375,000 and the second Design Option estimated at $8,225,000, for a total combined SCC Design Option price estimated at $11,600,000. Kapsch design support will also be needed when these Design Options are implemented and would also be negotiated in the future. The cost for Kapsch design support for the first Design Option is included in their base CCO cost and the second Design Option is estimated at an additional $330,000.

Agreements

In addition to the approval of the PDB Contract and the Toll Service Provider change order; staff is seeking the Commission's approval of several partner agreements required to complete the work. Staff seek your approval for the following agreements:

City of Lake Elsinore and City of Corona MOUs

Under the MOUs with each City, RCTC will fund all project costs and ensure compliance with environmental requirements. The Cities agree to participate in design and construction coordination meetings, expedite plan reviews and inspections, and process encroachment permits within five working days. RCTC will construct all proposed Project improvements and include each City as an additional insured in the PDB Contract. Both parties commit to coordinate development of concurrent projects and to coordinate street closures during construction. Any City requested betterments, which may require separate environmental clearance, will be funded by the City. The MOUs also include mutual indemnification provisions that survive termination, ensuring protection for all parties while maintaining project schedule and minimizing local impacts.

Caltrans Toll Facility Agreement

A toll facility agreement (TFA) between Caltrans and the Commission is necessary to define the terms and conditions of the operation and maintenance of the express lane facility. This TFA also provides certainty to the Commission, the Federal Highway Administration, and the financial markets that Caltrans has agreed to allow the Commission to operate a toll facility within its right of way. Caltrans, as owner of the state highway system and the right of way where the tolled express lanes will be constructed, has agreed to grant the Commission an exclusive possessory right to use, possess, operate, and maintain the I-15 ELPSE express lanes.

This agreement defines the roles and responsibilities of Caltrans and the Commission as it relates to the potential use, maintenance, reconstruction, operation, and condition on return to Caltrans

of the I-15 ELPSE express lane facility at the end of the term. Some highlights of the agreement are as follows:

- Establishes a 50-year exclusive possessory right for RCTC to operate the ELPSE toll facility, commencing upon the date it opens to the public;
- Details of the operation and maintenance obligations between both parties;
- Provides RCTC with the right to establish policies and rules governing the use of the toll facility;
- Addresses procedures for review and adoption of the Expenditure Plan for excess toll revenue, consistent with RCTC's tolling authority;
- Sets express lane pavement condition requirements on return at the end of the 50-year period;
- Requires an incident management plan;
- Allows for contracting with Caltrans or for an independent contract for facility maintenance during operations; and
- Requires the use of the California Highway Patrol for toll lane enforcement.

Staff have been negotiating with Caltrans for approximately two years on the format and content of the TFA. Although the I-15 Express Lanes TFA has been in place for a decade and has served both RCTC and Caltrans well, rather than amending RCTC's existing TFA, Caltrans sought a new stand-alone TFA for the I-15 ELPSE. A major focus of staff negotiations with Caltrans has been to ensure that the Commission does not take on uncapped cost liabilities or open-ended operational risks, and that the Commission's statutory tolling authorities are honored. The draft agreement attached to this staff report contains the final terms that have been agreed to by Caltrans and RCTC and only minor formatting revisions are anticipated.

Staff recommends the approval of draft Agreement No. 26-31-055-00 with Caltrans for the I-15 ELPSE Express Lanes in Riverside County allowing the Commission to operate and maintain the I-15 ELPSE toll lanes.

STAFF RECOMMENDATION:

Staff recommends the Committee recommend the Commission take the following action(s):

1) Award Agreement No. 25-31-007-00 to SC Constructors (a joint-venture composed of Skanska USA Civil West California District Inc. and Coffman Specialties Inc.) to initiate Progressive Design-Build Phase 1 of the Interstate 15 (I-15) Express Lanes Project Southern Extension (ELPSE) (Project), in the amount of $38,457,635 with a Design Option amount not to exceed $11,600,000 plus a contingency amount of $5,005,764 for a total amount not to exceed $55,063,399;
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5) Authorize the Executive Director or designee to negotiate and finalize Toll Facility Agreement No. 26-31-055-00 with Caltrans for the I-15 ELPSE;
6) Authorize the Chair or Executive Director, pursuant to legal counsel review and receipt of funding authorization (E-76), to execute the agreements on behalf of the Commission; and
7) Authorize the Executive Director or designee to approve contingency work up to the total amount not to exceed as required for the Project.

FISCAL IMPACT:

Funding Source

	Item	Dollar Amount	Fund Source
1	I-15 ELPSE Progressive Design Build, Phase 1	$38,457,635	CMAQ
	Phase 1 Design Option	$11,600,000	CMAQ
	+ 10% Contingency	$5,005,764	CMAQ
2	TSP Contract CCO	$1,134,185	Surplus Toll Revenue
	Phase 1 Design Option	$330,000	Surplus Toll Revenue
	+10% Contingency	$146,419	Surplus Toll Revenue
3	City of Corona MOU	$0	n/a
4	City of Lake Elsinore MOU	$0	n/a
5	Caltrans Toll Facility Agreement (TFA)	$0	n/a
	Total	**$56,674,003**	

Expenditure Schedule

	Item	FY 2025/26	FY 2026/27+	Project Accounting No.
1	I-15 ELPSE Progressive Design Build Team	$2,746,974	$47,310,661	153044-81603-00000-000 5150-31-81601
	+ 10% Contingency	$0	$5,005,764	153044-81603-00000-0000 5150-31-81601
2	TSP Contract CCP	$147,342	$1,316,843	153044-81041-00000-0000 5150-31-81002
	+10% Contingency	$0	$146,419	153044-81041-00000-0000 5150-31-81002
	Total	**$2,894,316**	**$53,779,687**	

Financial Information							
In Fiscal Year Budget:		Yes	Year:	FY2025/26 FY2026/27+	Amount:	FY 26 $2,894,316 FY27+ $53,779,687	
Source of Funds:	CMAQ and 15 Surplus Toll Revenue				Budget Adjustment:		No
GL/Project Accounting No.:	$55,063,399 PDB (CMAQ) - 153044-81603-00000-0000 5150-31-81601 $1,610,604 Kapsch CCO (surplus toll revenue) - 153044-81041-00000-0000 5150-31-81002						
Fiscal Procedures Approved:					Date:	04/23/2026	

Attachments:

1) Draft Agreement No. 25-31-007-00 with SC Constructors
2) Draft Change Order No. 46 to Agreement No. 16-31-043-00 with Kapsch
3) MOU with the City of Corona
4) MOU with the City of Lake Elsinore
5) Draft Toll Facility Agreement with Caltrans

Approved by the Western Riverside County Programs and Projects Committee on April 27, 2026

In Favor: 9 Abstain: 0 No: 0

Interstate 15
EXPRESS LANES PROJECT
Southern Extension

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

REQUEST FOR QUALIFICATIONS (RFQ No. 25-31-007-00)

I-15 EXPRESS LANES PROJECT SOUTHERN EXTENSION

THROUGH A

PROGRESSIVE DESIGN-BUILD CONTRACT

VOLUME II: CONTRACT

Execution Version: May 13, 2026

4080 Lemon Street, 3rd Floor
Riverside, CA 92501
www.rctc.org

DRAFT

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PROGRESSIVE DESIGN-BUILD CONTRACT

I-15 EXPRESS LANES PROJECT SOUTHERN EXTENSION (ELPSE)

RECITALS

This Progressive Design-Build Contract ("**Contract**") is entered into by and between the Riverside County Transportation Commission, a public entity of the State of California ("**RCTC**"), and SC Constructors, a Joint Venture ("**DB Contractor**"). This Contract is effective as of the date of its execution by both Parties (the "**Effective Date**"), with reference to the definitions contained in Exhibit 1 (Abbreviations and Definitions) and the following facts:

A. RCTC, in partnership with Department, intends to construct new tolled express lanes in the median of Interstate 15 ("**I-15**") generally between Corona and Lake Elsinore in Riverside County, California. The primary component consists of the extension of the I-15 Express Lanes by adding two tolled express lanes in both the northbound ("**NB**") and southbound ("**SB**") directions within the median of I-15, from approximately El Cerrito Road in the City of Corona, through the unincorporated Riverside County community of Temescal Valley, to State Route 74 ("**SR-74**") in the City of Lake Elsinore, for a distance of approximately 15 miles. The project includes the addition of auxiliary lanes, widening of bridges, construction of noise barriers, retaining walls, drainage systems, and implementation of electronic toll collection equipment and signs. Associated improvements for the toll lanes, including advance signage and transition striping, would extend approximately 2 miles from each end of the express lane limits (the "**Project**"). The proposed lane additions and supporting infrastructure are anticipated to be constructed within the Existing Department ROW.

B. The Project is authorized in accordance with:

   1. RCTC's procurement policy and Public Contract Code section 22180 et seq., which authorizes local agencies to procure progressive design-build contracts and use the progressive design-build contracting process described in such sections; and

   2. RCTC's authority to use state-owned ROW granted by the State of California, acting by and through Department, under a Cooperative Agreement (District Agreement No. 08-1814), dated March 27, 2026 (as amended, the "**Department Cooperative Agreement**") and a Toll Facilities Agreement ("TFA") (RCTC Agreement No 26-31-055-00), each to be executed prior to the Phase 2 Approval Deadline.

C. On February 28, 2025, the Commission authorized RCTC staff to issue the Request for Qualifications (as subsequently amended by addenda, the "**RFQ**") to design and build the Project, select and negotiate this Contract with the preferred proposer, and make a recommendation to the Commission to award this Contract.

D. On April 8, 2025, RCTC received four SOQ Step 1 Submittals in response to the RFQ (Step 1).

E. On May 14, 2025, RCTC shortlisted two proposers. On September 15, 2025, RCTC received two SOQ Step 2 Submittals from shortlisted proposers in response to the RFQ (Step 2).

F. An RFQ evaluation committee determined that DB Contractor was the proposer which best met the selection criteria contained in the RFQ.

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G. On May 13, 2026, the Commission accepted the recommendation of the Executive Director of RCTC and the RFQ evaluation committee to award this Contract to DB Contractor.

H. DB Contractor has experience providing environmental, pre-construction, design, construction, testing and commissioning services of the type sought by RCTC on projects similar to the Project.

I. Following completion and acceptance of the Project by RCTC and Department, the Project will become part of the state highway system and Department will own all real property located within the ROW, subject to the rights of RCTC to operate and maintain the Toll Facilities for a period of 50 years after the ELPSE Revenue Service Commencement Date.

J. RCTC desires to engage DB Contractor to deliver the Project, and DB Contractor desires to be so engaged, on the terms and conditions specified in this Contract.

NOW, THEREFORE, in consideration of the sums to be paid to DB Contractor by RCTC, the foregoing premises and the covenants and agreements in this Contract, the Parties agree as follows:

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SECTION 1
CONTRACT COMPONENTS; INTERPRETATION OF CONTRACT; TERM

1.1. Certain Definitions

Unless the context otherwise requires, capitalized terms, terms used in the Department Standard Specifications, and abbreviations used in this Contract have the meanings given in Exhibit 1 (Abbreviations and Definitions).

1.2. Order of Precedence

1.2.1. Subject to Section 1.2.4, in the event of any irreconcilable conflict, ambiguity or inconsistency between or among any of the provisions of this Contract, the higher standard, quality or quantum will prevail; provided, however, that, if this does not resolve the ambiguity, discrepancy or inconsistency, the order of precedence in the Contract Particulars, from highest to lowest, applies.

1.2.2. Notwithstanding the order of precedence set out in the Contract Particulars, to the extent that any SOQ Step 2 Submittal Commitment supersedes specific provisions of this Contract, SOQ Step 2 Submittal Commitment shall take precedence over the applicable Contract provisions.

1.2.3. Incorporation into this Contract of any part of the SOQ (including the SOQ Step 2 Submittal Commitments) shall not (a) limit, modify, or alter RCTC's right to review and approve any Submittal included in the SOQ, or submitted to RCTC after the SOQ (including any Project Schedule), or (b) be deemed as acceptance or approval of any part of the SOQ by RCTC.

1.2.4. DB Contractor shall not take advantage of or benefit from any apparent or actual Error, conflict, or ambiguity in this Contract. If DB Contractor becomes aware that any matters with respect to the Work are not sufficiently detailed, described or explained in this Contract, or if DB Contractor becomes aware of any Error or any conflict or ambiguity between or among the documents forming this Contract, DB Contractor shall promptly provide Notice to RCTC, including the item DB Contractor considers should apply based on the applicable rules in this Section 1.2. If (a) the Error, conflict or ambiguity cannot be reconciled by applying the applicable rules in this Contract or (b) the Parties disagree about (i) which rule applies and/or (ii) the results of the application of such applicable rule(s), then RCTC will determine, in its good faith discretion, which of the conflicting items is to apply and provide Notice to DB Contractor before DB Contractor proceeds with the applicable aspect of the Work.

1.3. Reference Documents

1.3.1. Subject to Section 1.3.2 and DB Contractor's rights under Section 21, DB Contractor acknowledges and agrees that:

(a) DB Contractor may not rely on the Reference Documents;

(b) RCTC does not represent, warrant, or guarantee the accuracy or completeness of the Reference Documents or that such information is in conformity with the requirements of this Contract, Governmental Approvals or Governmental Rules;

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(c) The Reference Documents may include interpretations, extrapolations, analyses and recommendations about data, design solutions, technical issues and solutions and construction means and methods which are (i) preliminary in nature and, in many cases, obsolete, (ii) not intended to express the views or preferences of RCTC or any other Governmental Entity, or represent any statement of approval or acceptance thereof by RCTC or any other Governmental Entity, and (iii) not intended to form the basis of DB Contractor's design solutions, technical solutions, or construction means and methods;

(d) DB Contractor shall conduct any and all studies, analyses, and investigations as it deems advisable to verify or supplement the Reference Documents; and

(e) Use of the Reference Documents is entirely at DB Contractor's own risk and at its own discretion and neither RCTC nor Department are liable for any Losses suffered by any DB-Related Entity in connection with the Reference Documents.

1.3.2. Except as otherwise expressly provided in this Contract, where this Contract cites any Reference Document to define requirements of this Contract, the cited portion of the applicable Reference Document shall (a) be deemed incorporated into this Contract to the extent it is so cited, and (b) have the same order of priority as the part of this Contract where the citation is made.

1.4. No Liability Arising From RCTC Actions

1.4.1. DB Contractor acknowledges and agrees that RCTC's and Department's rights under this Contract to review, comment on, approve, disapprove, monitor, inspect, test, accept, or carry out any other act of RCTC or Department in connection with any Submittal or the Project Assets exist solely for the benefit and protection of RCTC or Department (as applicable).

1.4.2. Except as expressly set out in this Contract, RCTC and Department owe no duty to DB Contractor to:

(a) Review, comment on, approve, disapprove, monitor, inspect, test, accept or carry out any other act or omission of RCTC in connection with any Submittal, the Project or the Work; or

(b) Inspect or review the Work for Nonconformances.

1.4.3. Failure of RCTC or Department to review, comment on, approve, disapprove, monitor, inspect, test, accept or carry out any other act or omission of RCTC or Department in connection with any Submittal or the Project, or to inspect or review the Work shall not:

(a) Relieve DB Contractor from, or alter or affect, its liabilities, obligations or responsibilities, whether under this Contract or otherwise at law, including obligations to perform the Work in accordance with the Contract, or any of its General Warranty or indemnity obligations;

(b) Prejudice RCTC's or Department's rights against DB Contractor, whether under this Contract or Governmental Rules;

(c) Be deemed or construed as any kind of representation or warranty, express or implied, by RCTC or Department, or be relied upon by DB Contractor in determining whether DB Contractor has satisfied the requirements of this Contract;

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(d) Be asserted against RCTC or Department by DB Contractor as a defense, legal or equitable, to DB Contractor's obligation to satisfy the requirements of this Contract; or

(e) Preclude or estop RCTC from asserting or showing that the Work or materials do not comply with this Contract or recovering from DB Contractor and its Guarantors or Surety(ies) such damages as RCTC may sustain in connection with DB Contractor's failure to comply or to have complied with this Contract.

1.4.4. Notwithstanding the provisions of Sections 1.4.1 through 1.4.3, DB Contractor may rely on Notices that RCTC gives under this Contract for purposes of confirming RCTC's approval or consent to an event or matter, but without prejudice to any of RCTC's other rights and remedies under the Contract.

1.4.5. RCTC shall use reasonable endeavors to provide Notice to DB Contractor if RCTC or Department intend not to review, comment on, approve, disapprove, monitor, inspect, test, accept or carry out any other act of RCTC or Department in connection with any Submittal, the Project or the Work.

1.5. Integration of Department Standard Specifications into Contract

1.5.1. The Parties acknowledge and agree that the Department Standard Specifications dated 2025, published by Department, incorporated by reference into the Technical Provisions, with the exception of Sections 1 through 9 of the Department Standard Specifications which are replaced with Exhibit 5 (Modified Standard Specifications), subject to certain additional modifications as specified in TP Section 1.4 and otherwise in this Contract, are part of this Contract. The term "**Department Standard Specifications**" as used in this Contract shall refer to the Standard Specifications, as so modified, and include the Modified Standard Specifications contained in Exhibit 5. The Technical Provisions also require compliance with other Department Documents.

1.5.2. If any question arises regarding whether any provision of the Department Documents is applicable to this Contract or how to apply such provision, RCTC's interpretation regarding such matter shall control, subject to Department concurrence.

1.6. Interpretation of Contract

1.6.1. Unless the context otherwise requires, in this Contract, each of the following rules of interpretation shall apply:

(a) The meaning of provisions shall be construed simply, as a whole and in accordance with the fair meaning of the language used and not strictly for or against any Party;

(b) Any word (including any defined term) in the singular includes the plural and vice versa;

(c) A reference to a Paragraph, Article, Section, Subsection, or Clause is a reference to the Section in the body of the Contract, Exhibit, Schedule or Attachment in which the reference appears, unless otherwise stated;

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(d) The captions of the Paragraphs, Articles, Sections, Subsections, and Clauses in this Contract are for convenience only and are not to be treated or construed as part of this Contract;

(e) Words denoting any gender include all genders;

(f) The terms "hereby," "hereof," "herein," "hereunder," "under this Contract" and any similar terms refer to this Contract;

(g) References to days are references to calendar days, provided that (i) subject to (ii), if the date to perform falls or a Submittal is received on a non-Business Day, such act or notice may be timely performed on the next Business Day; and (ii) if the date to perform falls or a Submittal is received on a Friday or Holiday before 12:00 pm, such act or notice may be timely performed on the next Business Day. Notwithstanding the foregoing, requirements contained in this Contract relating to actions to be taken in the event of an emergency and other requirements for which it is clear that performance is intended to occur on a non-Business Day, shall be performed as specified, even though the date in question may fall on a non-Business Day;

(h) A reference to time is a reference to Pacific Time;

(i) The words "include," "includes" and "including," and any variants of those words, will be read as if followed by the words "without limitation";

(j) The meaning of "or" will be that of the inclusive "or," that is meaning one, some, or all of a number of possibilities;

(k) Unless otherwise expressly stated in this Contract, words that have well-known technical or construction industry meanings are used in this Contract in accordance with such recognized meaning;

(l) A reference to any legislation (including any orders, regulations, by-laws, ordinances, orders, codes of practice or instruments made under the relevant legislation) or a provision within it includes any legislation or provision which amends, extends, consolidates or replaces such legislation or provision;

(m) References to Codes are to the codified laws of the State;

(n) A reference to any Governmental Entity includes a reference to any successor to such Governmental Entity or any organization or entity or organizations or entities which has or have taken over the functions or responsibilities of such Governmental Entity;

(o) A reference to any Person includes each of their legal representatives, trustees, executors, administrators, successors and permitted substitutes and assigns, including any Person taking part by way of novation;

(p) A reference to a right includes any benefit, remedy, discretion, authority or power associated with such right;

(q) A reference to an agreement (including this Contract), document, standard, principle or other instrument includes a reference to that agreement, document, standard, principle or instrument as amended, supplemented, substituted, novated or assigned;

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(r) A reference to "$" is to United States Dollars, and all monetary amounts and obligations in this Contract are expressed and payable in United States Dollars;

(s) On plans, working drawings, and standard plans, calculated dimensions take precedence over scaled dimensions;

(t) The use of the word "remedy" or any form of it in this Contract means that the event to be remedied must be cured or its effects overcome;

(u) In the event of any irreconcilable conflict, ambiguity, inconsistency or dispute regarding the interpretation of this Contract, it shall not be interpreted or construed against the Person which prepared it and, instead, other rules of interpretation and construction shall apply;

(v) Subject to Section 1.8 or as otherwise expressly provided in this Contract, the term "may", when used in the context of a power or right exercisable by RCTC or the RCTC Representative, means that RCTC or the RCTC Representative can exercise that right or power in its sole and unfettered discretion and RCTC or the RCTC Representative has no obligation to DB Contractor to do so;

(w) If this Contract requires calculation of an amount payable to a Party, there must be no double counting in calculating that amount such that the Party would receive more than the amount owed or payable; and

(x) RCTC's interim or final answers to the questions posed during the SOQ process for this Contract do not form part of this Contract and are not relevant in interpreting this Contract, except to the extent RCTC believes the Contract is ambiguous, in which case such interim or final answers may be used to clarify such ambiguous provisions.

1.7. Project Standards and Specifications

1.7.1. Except as otherwise specified in this Contract or directed by RCTC, material and workmanship specified by the number, symbol or title of any standard established by reference to a described manual or publication affecting any portion of the Work shall comply with the latest edition or revision thereof and amendments and supplements as at the Setting Date.

1.7.2. In interpreting Project Standards, the following apply:

(a) References to the project owner shall mean RCTC;

(b) References to an "engineer" or "Engineer" in which the engineer or Engineer determines compliance with the Project Standard(s) may mean DB Contractor's Quality Manager or similar representative or it may mean an RCTC or Department representative, depending on the context, as determined by RCTC, in its sole discretion;

(c) References to "plan(s)" shall mean the Design Documents; and

(d) Cross-references to measurement and payment provisions contained in the Project Standards shall be deemed to refer to the measurement and payment provisions in this Contract.

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1.8. Standard for Approvals

In all cases where approvals or consents are required to be provided by RCTC or DB Contractor under the Contract, such approvals or consents shall not be withheld unreasonably except in cases where a different standard (such as sole discretion or good faith discretion) is specified or, in accordance with Section 1.6.1(v) (with respect to "may" and sole discretion), deemed to specify a different standard. In cases where RCTC's sole discretion is specified, the decision shall not be subject to dispute resolution or other legal challenge under the Contract.

1.9. Federal Requirements

1.9.1. DB Contractor acknowledges that (a) the Project may be paid for with funds received through State or federal funding or grant programs (together "**Funding Programs**"), (b) both RCTC and Department may receive funds through Funding Programs, and (c) the applications to receive those funds have been approved or may be approved after the Effective Date.

1.9.2. DB Contractor shall provide or cause to be provided such information, documentation, and administrative assistance as RCTC may request, and shall take such actions and execute such documents as are required to be in DB Contractor's name (including any amendments required to this Contract), to enable RCTC to meet all requirements of the Funding Programs.

1.9.3. DB Contractor shall comply and require its Subcontractors to comply with all applicable federal requirements, including those requirements in Exhibit 13 (State and Federal Requirements). In the event of any conflict, ambiguity or inconsistency between any applicable federal requirements and the other requirements of this Contract, the federal requirements shall prevail.

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SECTION 2
OVERVIEW; NATURE OF CONTRACT; TERM

2.1. Overview

RCTC engages DB Contractor to:

(a) Perform the Phase 1 Work; and

(b) Subject to obtaining Phase 2 Approval, perform the Phase 2 Work.

2.2. Nature of Contract

The Parties wish to fully embrace the principles of collaboration and progressive design-build best practices in the performance of the Work and agree to employ the following techniques to maximize the benefits of this Contract:

(a) Proceed on the basis of trust and good faith and create a culture of open and honest communication;

(b) Attempt to resolve disputes efficiently, in good faith and at the earliest possible stage of dispute resolution;

(c) Establish a cooperative and collaborative environment where all parties (including RCTC, Department, DB Contractor and Subcontractors) have the opportunity to contribute their best efforts for the benefit of the Project as a whole, rather than to the benefit of individual Parties;

(d) Integrate the design and construction team (including RCTC, Department, DB Contractor, Major Subcontractors, key specialty contractors and trade partners) as early as possible into the design and constructability process; and

(e) Maximize the Work delivered for the Lump Sum (Phase 1) and GMP (Phase 2) (as applicable).

2.3. Term

2.3.1. Except as expressly provided in Section 30.6, this Contract shall take effect on the Effective Date and shall remain in effect until:

(a) If Phase 2 Approval is not obtained, the date of RCTC's written notice to DB Contractor stating that Phase 2 Approval has not occurred, in accordance with Section 7.5.3; and

(b) If Phase 2 Approval is obtained, the expiration of the Warranty Period ("**Scheduled Expiration Date**"),

(c) If Contract is terminated early, the date of such earlier termination ("**Early Termination Date**") (the "**Term**").

SECTION 3
REPRESENTATIONS, WARRANTIES AND COVENANTS

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3.1. DB Contractor Representations, Warranties and Covenants

By executing this Contract, DB Contractor represents, warrants and covenants to RCTC as follows:

3.1.1. DB Contractor is a Joint Venture, duly organized and validly existing under the laws of the State of California, with all requisite power to own its properties and assets and carry on its business as now conducted or proposed to be conducted;

3.1.2. DB Contractor is composed of Skanska USA Civil West California District Inc. and Coffman Specialties, Inc. DB Contractor and each member of DB Contractor is duly qualified to do business, and is in good standing, in the State, and shall remain in good standing throughout the term of this Contract and for as long thereafter as any obligations remain outstanding under this Contract;

3.1.3. As of the Effective Date, DB Contractor has full power, right and authority to execute and deliver this Contract, and to perform all of DB Contractor's obligations provided for under this Contract;

3.1.4. Each person executing this Contract on behalf of DB Contractor has been duly authorized to execute and deliver this Contract on behalf of DB Contractor;

3.1.5. No default under, violation of, or conflict with DB Contractor's governing instruments or any judgment, decree, indenture, loan, credit agreement or other material agreement or instrument to which DB Contractor is a party or DB Contractor is, or its properties and assets are bound will result from (i) DB Contractor's execution and delivery of this Contract, or (ii) DB Contractor's performance of its obligations under this Contract;

3.1.6. No Default of DB Contractor has occurred or is continuing, and no event has occurred that, with the giving of notice or passage of time or both, would constitute a Default of DB Contractor;

3.1.7. There is no action, suit, proceeding, litigation, or investigation pending or to DB Contractor's knowledge threatened against DB Contractor that individually or in the aggregate either: (i) challenge DB Contractor's authority to execute, deliver or perform or the validity or enforcement of any of this Contract or which challenges the authority of DB Contractor's Representative executing this Contract; or (ii) could reasonably be expected to result in any material adverse effect on the business, properties, or assets, or the condition, financial or otherwise, of DB Contractor or in any impairment of its ability to perform the Work; and DB Contractor has disclosed to RCTC any pending and un-served or threatened action, suit, proceeding, investigation or litigation with respect to such matters that DB Contractor is aware of or should be aware of after reasonable inquiry and investigation;

3.1.8. DB Contractor has evaluated the Planned ROW Limits and other constraints affecting design and construction of the Project and has reasonable grounds to believe, and does believe, that the Project can be designed and built within such constraints;

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3.1.9. DB Contractor has evaluated the feasibility of performing the Work so as to achieve the Completion Milestones by the Completion Deadlines and for the Contract Price, accounting for constraints affecting the Project, and has reasonable grounds to believe and does believe such performance is feasible and practicable;

3.1.10. DB Contractor has, prior to submitting the SOQ and in accordance with Good Industry Practice, reviewed this Contract and the Reference Documents and has brought to RCTC's attention any Errors, conflicts and ambiguities in the Contract and the Reference Documents;

3.1.11. DB Contractor has, in accordance with Good Industry Practice, performed Reasonable Investigation regarding the Phase 1 Work, reviewed and analyzed all information provided in the Reference Documents regarding the Phase 1 Work, and evaluated the constraints affecting the Phase 1 Work, and has reasonable grounds for believing and does believe that the Phase 1 Work can be completed within such constraints for the Lump Sum (Phase 1);

3.1.12. DB Contractor has evaluated the feasibility of performing and completing the Phase 1 Work in accordance with the applicable progress goals, Phase 1 Milestone Deadlines, the Lump Sum (Phase 1), and has reasonable grounds for believing and does believe, subject to the express terms of this Contract, that such performance is feasible and practicable;

3.1.13. DB Contractor will use best efforts to ensure that it achieves each Phase 1 Milestone by the applicable Phase 1 Milestone Deadline;

3.1.14. Failure by DB Contractor to acquaint itself with the available Site information will not relieve DB Contractor from responsibility for the difficulty or cost of successfully performing the Work. DB Contractor further acknowledges and agrees that changes in conditions at the Site may occur after the Effective Date, and that DB Contractor's entitlement to any Change Order in connection therewith shall be only as permitted under Section 21. Before commencing any Work on a portion of the Site, DB Contractor shall verify all governing dimensions at the relevant portion of the Site and shall examine all adjoining work which may affect its Work. DB Contractor shall ensure that the Design Documents and Construction Documents accurately depict all governing and adjoining dimensions and conditions;

3.1.15. DB Contractor has familiarized itself with the requirements of all applicable Governmental Rules and the conditions of all required Governmental Approvals prior to entering into this Contract. Except as specifically permitted under Section 21, DB Contractor shall comply, and shall cause its Subcontractors to comply, with all such Governmental Rules and conditions without any increase in the Contract Price or extension of any Completion Deadline on account of such compliance, regardless of whether such compliance would require additional time for performance or additional labor, equipment and/or materials not expressly provided for in this Contract. DB Contractor has no reason to believe that any Governmental Approval required to be obtained by DB Contractor will not be granted in due course in a timely fashion and thereafter remain in effect so as to enable the Work to proceed in accordance with this Contract;

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3.1.16. DB Contractor will keep the RCTC Representative fully and regularly informed as to all matters affecting or relating to the Project Assets, including any matter which may change, or which has changed:

(a) The nature, scope or timing of the Work; or

(b) The reasonably possible levels of material expenditure by RCTC under this Contract.

3.1.17. All Work provided by DB Contractor throughout the term of the Contract shall be performed by or under the supervision of Persons who hold all necessary and valid licenses, certifications, registration, permits or approvals to perform the Work in the State, by personnel who are careful, skilled, experienced, and competent in their respective trades or professions, who are professionally qualified to perform the Work in accordance with this Contract, and who shall assume responsibility for the accuracy and completeness of the Design Documents, Construction Documents, and other documents prepared or checked by them (as applicable). Any Subcontractor that performs environmental remediation work shall, to the extent required by Governmental Rules, have a Hazardous Substance Removal Certification from the State of California Contractors State License Board; The award of this Contract by RCTC to DB Contractor was based, in part, on the qualifications and experience of the personnel listed in the SOQ and DB Contractor's commitment that such individuals would be available to undertake and perform the Work and that such individuals are available for and will fulfill the roles identified for them in the SOQ in connection with the Work;

3.1.18. This Contract constitutes the legal, valid and binding obligation of DB Contractor and, if applicable, each member of DB Contractor, in accordance with the terms of this Contract, subject only to applicable bankruptcy, insolvency, and similar Governmental Rules that affect the enforceability of the rights of creditors generally, and the general principles of equity. The Guarantees, if any, constitute the legal, valid, and binding obligation of the Guarantors, enforceable in accordance with the terms of the Guarantees, subject only to applicable bankruptcy, insolvency, and similar laws that affect the enforceability of the rights of creditors generally, and the general principles of equity;

3.1.19. DB Contractor agrees to avoid organizational conflicts of interest. For purposes of this Contract, an organizational conflict of interest exists if, due to its other activities, relationships, or contracts, a consultant to RCTC is unable to render impartial assistance or advice to RCTC, or the consultant's objectivity in providing services to RCTC is or might be otherwise impaired. For purposes of the SOQ, organizational conflicts of interest also included any matters that resulted in DB Contractor obtaining an unfair competitive advantage in connection with the procurement of this Contract. As of the SOQ Step 2 Submittal Date, no organizational conflicts of interest exist with respect to DB Contractor and DB-Related Entities, except as otherwise approved in writing by RCTC. Between the SOQ Step 2 Submittal Date and the Effective Date, DB Contractor has not obtained knowledge of any additional organizational conflict of interest, and there have been no organizational changes to DB Contractor or Subcontractors identified in its SOQ not approved by Notice to DB Contractor;

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3.1.20. DB Contractor is aware of the provisions of Labor Code section 3700 that require every employer to be insured against liability for workers' compensation, or to undertake self-insurance in accordance with the provisions of that code, and DB Contractor shall comply with such provisions before commencing performance of the Work, and at all times during the Term, whether by providing its own insurance or self-insurance in accordance with the provisions of that Code;

3.1.21. In connection with this Contract, DB Contractor has not committed or caused, and will not commit or cause, a violation of: (a) Government Code sections 1090 through 1099, 84308, or 87100 through 87105; or (b) California Code of Regulations sections 18438.1 through 18438.8;

3.1.22. Neither DB Contractor nor the Key Personnel nor any principal of DB Contractor or the Key Personnel is presently in arrears in payment of any taxes, permit fees or other statutory, regulatory or judicially required payments to the State related to the performance of any State contracts, or presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into, or otherwise participating in, this Contract by any federal agency or by any department, agency or political subdivision of the State. For purposes of this Section 3.1.22, the term "principal" means an officer, director, owner, partner, Key Person, employee, or other person in each case with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of DB Contractor or any Key Person;

3.1.23. DB Contractor has not, in the past three years, been convicted of or had a civil judgment rendered against it for (a) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (e.g., federal, state or local) transaction or public contract, (b) violation of federal or state antitrust statutes, or (c) commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3.1.24. DB Contractor is not presently indicted for or otherwise criminally or civilly charged by a Governmental Entity with commission of any of the offenses enumerated in Section 3.1.27;

3.1.25. DB Contractor has not, in the past three years, had one or more public transactions (federal, state or local) terminated for cause or default;

3.1.26. DB Contractor has not received any communication or notice (written or oral), whether from a Governmental Entity, employee, citizens group or any other Person, that alleges DB Contractor is not in full compliance with all Governmental Rules and Governmental Approvals in connection with the Project and, to the knowledge of DB Contractor, there are no circumstances that may prevent or interfere with full compliance in the future;

3.1.27. DB Contractor (a) is not in violation of: (i) any applicable United States anti-money laundering laws, including those contained in the Bank Secrecy Act and the regulations promulgated thereunder; (ii) any applicable economic sanction laws administered by Office of Foreign Assets Control of the United States Department of the Treasury ("**OFAC**") or by the United States Department of

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State; or (iii) any applicable United States anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal, and (b) is not a Person: (i) that is charged with, or has reason to believe that he, she or it is under investigation for, any violation of any such laws; (ii) that has been convicted of any violation of, has been subject to civil penalties in accordance with, or had any of its property seized or forfeited under any such laws; (iii) that is named on the list of "Special Designated Nationals or Blocked Persons" maintained by OFAC (or any successor United States government office or list), or any similar list maintained by the United States Department of State (or any successor United States government office or list); (iv) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by any applicable Governmental Rule; (v) that is owned, controlled by, or affiliated with any Person identified in Sections 3.1.27(b)(i), 3.1.27(b)(ii), 3.1.27(b)(iii) 3.1.27(b)(iv), or 3.1.27(b)(vi) that is in violation of any obligation to maintain appropriate internal controls as required by the governing laws of the jurisdiction of such Person as are necessary to ensure compliance with the economic sanctions, laundering and anti-corruption laws of the United States and the jurisdiction where the Person resides, is domiciled or has its principal place of business;

3.1.28. DB Contractor owns or will own good and marketable title and sufficient rights to all Intellectual Property, materials, equipment, tools and supplies to be furnished under this Contract, free and clear of all Liens, royalties, fees or other charges of any kind or nature. DB Contractor warrants that all such Intellectual Property, materials, equipment, tools and supplies will be delivered free of any claim by a third party for infringement of any Intellectual Property or ownership right;

3.1.29. At any time a Guaranty is required to be in place in accordance with this Contract, the applicable Guarantor is duly organized, validly existing and in good standing under the laws of the state of its organization, will remain in good standing in the state of its organization for as long as any obligations guaranteed by such Guarantor remain outstanding under this Contract, and has all requisite power and all required licenses to carry on its present and proposed obligations under this Contract;

3.1.30. At any time a Guaranty is required to be in place in accordance with this Contract, all required approvals have been obtained with respect to the execution, delivery and performance of such Guaranty, and performance of such Guaranty will not result in a breach of or default under the applicable Guarantor's organizational documents, or any indenture, loan or credit agreement or other agreement or instrument to which the applicable Guarantor is a party or by which its properties and assets may be bound or affected; and

3.1.31. Each Guaranty has been duly executed and delivered by each Guarantor, and constitutes the legal, valid and binding obligation of such Guarantor, enforceable in accordance with its terms, subject only to applicable bankruptcy, insolvency and similar laws affecting the enforceability of the rights of creditors generally and the general principles of equity.

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3.2. RCTC Representations, Warranties and Covenants

RCTC represents, warrants and covenants that:

3.2.1. As of the Effective Date, RCTC has full power, right and authority to execute, deliver and perform this Contract and to perform all of RCTC's obligations provided for under this Contract;

3.2.2. Each person executing this Contract on behalf of RCTC has been duly authorized to execute and deliver this Contract on behalf of RCTC; and

3.2.3. This Contract has been (or will be) duly executed and delivered by RCTC.

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SECTION 4
GENERAL OBLIGATIONS APPLICABLE TO THE WORK

4.1. General Obligations of DB Contractor

4.1.1. DB Contractor shall, and shall cause its Subcontractors to:

(a) Comply with the terms of the General Warranty;

(b) Perform the Work in accordance with:

(i) The Administrative Project Plans;

(ii) All Governmental Rules, Governmental Approvals and Project Standards;

(iii) Supplier warranties in the case of equipment;

(iv) The RCTC-approved Final Design Documents and Construction Documents;

(v) Good Industry Practice;

(vi) RCTC's decisions or orders in accordance with this Contract; and

(vii) The terms of this Contract, in each case, taking into account the Planned ROW Limits and other constraints affecting the Project and in a diligent manner and without delays.

(c) Perform the Work so as to ensure:

(i) The Design Work meets each of the requirements set out in the Contract;

(ii) The Construction Work meets each of the purposes and requirements set out in the Contract; and

(iii) The Work is free of Deviations or Nonconformances unless approved by RCTC, in its sole discretion.

(d) Timely submit all Submittals by the applicable times in this Contract, including TP Section 3, and all such Submittals shall be accurate and complete as required under this Contract.

4.1.2. DB Contractor shall:

(a) Use the design Subcontractor(s) identified in Exhibit 2-F (Listed Subcontractors / Subcontractor Identification Form) to perform the design services required by this Contract or other Subcontractors approved by Notice from RCTC;

(b) Not shift design Work from any Major Subcontractor or Listed Subcontractor to another without the prior written approval of RCTC, in its good faith discretion,

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except that DB Contractor may shift non-material amounts of design Work to the extent consistent with Governmental Rules where such shift does not eliminate a Major Subcontractor or Listed Subcontractor;

(c) Ensure labor harmony on the Site during all stages of the Project, including taking appropriate steps to prevent strikes, walkouts, work stoppages, work slowdowns, work curtailments, cessations or interruptions of production due to labor disputes or other labor-related matters.

4.1.3. Except as otherwise expressly provided in this Contract, DB Contractor:

(a) Accepts all risks, responsibilities, obligations and liabilities in connection with delivering the Work consistent with this Contract; and

(b) Is not entitled to make any Claim against RCTC for any Losses in connection with the Project, Work or this Contract other than as expressly provided in Section 21.

4.2. Coordination and Cooperation

4.2.1. DB Contractor shall perform the Work so as not to:

(a) Enter upon, disturb or use any property of any Person except with the express permission of, and in compliance with all requirements of, the owner or holder of such property;

(b) Damage, close or obstruct any Utility installation, highway, road or other property unless and until all applicable Governmental Approvals have been obtained; or

(c) Disrupt or otherwise interfere with the operation of any Utility, improvement or structure unless otherwise specifically authorized by this Contract, an applicable Governmental Rule or any Governmental Approval.

4.2.2. DB Contractor acknowledges and agrees that:

(a) Other RCTC Contractors might be working near or otherwise be present on or near the Site during performance of the Work;

(b) The work of Other RCTC Contractors might interfere with DB Contractor's use of certain facilities on or near the Site; and

(c) DB-Related Entities, including DB Contractor, shall fully cooperate and be solely responsible for coordinating the Work with Other RCTC Contractors and shall schedule and sequence the Work as reasonably necessary to accommodate the work of Other RCTC Contractors.

4.2.3. DB Contractor shall cooperate and coordinate with:

(a) RCTC and Other RCTC Contractors in connection with the ongoing operation, maintenance, renewal, and replacement of the 15 Express Lanes, this Project and other obligations under this Contract so as to not unreasonably interfere with the progress or completion of the work performed under such contracts or as part of such projects; and

(b) RCTC, Other RCTC Contractors, Utility Owners, Department, FHWA and other Governmental Entities with jurisdiction over the Work in performing oversight and

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conducting inspections during the performance of the Work and other matters relating to the 15 Express Lanes and this Project.

4.2.4. DB Contractor shall cause Subcontractors to cooperate and provide such information as is necessary or requested by RCTC to assist or facilitate the submission by RCTC of any documentation, reports or analysis required by the State, FHWA and/or any other Governmental Entity with jurisdiction over the Project.

4.2.5. Additional requirements for DB Contractor to coordinate the Work with TSP are included in Section 17.1.

4.2.6. Except as set out in Section 4.2.7 or as expressly provided under this Contract, if DB Contractor asserts that a contractor of Department, Local Agencies, or any Utility Owner has caused damage to the Work or has hindered or interfered with the progress or completion of the Work, then except as expressly set forth in this Contract, DB Contractor's sole remedy under this Contract shall be to seek recourse against the respective contractor.

4.2.7. DB Contractor may submit disputes between itself and contractors of Department, Local Agencies, or any Utility Owner for resolution under Section 28 so long as: (a) the DB Contractor and the DB Contractor's sureties agree to submit the dispute to the Disputes Review Board; and (b) the proceeding is conducted at no cost to RCTC.

4.2.8. DB Contractor shall have no right to compensation, time extension, or otherwise make any Claim against RCTC for the actions or omissions of any contractor retained, or work performed, by Department, other Local Agencies, or any Utility Owner except as expressly provided in this Contract.

4.3. Administrative Project Plans

4.3.1. DB Contractor shall:

(a) Perform all inspection, sampling, testing, Quality Validation and Quality Control for the Project necessary to manage the Work and otherwise in accordance with the RCTC-approved Administrative Project Plans and this Contract;

(b) Carry out internal audits of the Administrative Project Plans at the times prescribed in the Quality Management Plan and shall provide full details of such audits to RCTC;

(c) Ensure that, the DQVM and CQVM shall, irrespective of his or her other responsibilities, have express authority to establish and maintain the elements of the Administrative Project Plans and report directly to RCTC on the performance of the Administrative Project Plans with respect to those elements;

4.3.2. Not terminate any agreement with the construction quality validation laboratory that may affect the Work or permit or suffer any substitution or replacement of the construction quality validation laboratory, except with RCTC's prior written approval, in its reasonable discretion.The construction quality validation laboratory shall not be owned at any time during the term of the Contract by DB Contractor or any subsidiary or affiliate of DB Contractor or DB Contractor's

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design Subcontractors unless agreed to by Notice from RCTC, in RCTC's sole discretion.

4.3.3. RCTC may propose and DB Contractor shall implement, any change to the Administrative Project Plans required to:

(a) Comply with the requirements of TP Section 2.1;

(b) Comply with this Contract, Governmental Approvals, Governmental Rules and Good Industry Practice; or

(c) Reflect a change in working practice to be implemented by DB Contractor.

4.3.4. If any part or other documentation of the Administrative Project Plans refers to, relies on or incorporates any manual, plan, procedure or like document, then all such referenced or incorporated materials shall be submitted to RCTC for approval in its good faith discretion when the relevant part or other documentation of the Administrative Project Plans or change, addition or revision to the Administrative Project Plans is submitted to RCTC.

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SECTION 5
INFORMATION SUPPLIED TO DB CONTRACTOR; SUBMITTALS, DESIGN REQUIREMENTS AND DISCLAIMER; ROLES OF PCM, DEPARTMENT, FHWA

5.1. Meetings

5.1.1. DB Contractor shall:

(a) Arrange and conduct regular Progress Meetings with RCTC, and other Persons as provided in TP Section 2.5.4 and otherwise designated by RCTC, at least weekly during the course of the Work;

(b) At such Progress Meetings, discuss the following:

(i) Topics specified in the Technical Provisions or to be covered in any Monthly Progress Report;

(ii) Issues relevant to the progress or performance of any portion of the Work or development or submission of any Submittal; and

(iii) Any other matters that the RCTC Representative may require.

5.1.2. DB Contractor shall schedule all Progress Meetings with RCTC at a date, time, and place reasonably convenient to both Parties and, except in the case of urgency, shall provide RCTC with Notice and a meeting agenda at least three Business Days in advance of each meeting.

5.1.3. Within three Business Days after each Progress Meeting, the DB Contractor Representative shall prepare and deliver minutes of that meeting to all attendees and RCTC for review and comment; provided that RCTC may (in its sole discretion) designate another Person to prepare and issue agendas and/or minutes.

5.1.4. In addition, RCTC and DB Contractor, through their respective Representatives, shall meet from time to time at the other Party's request to discuss and resolve matters relating to the Work or Project.

5.2. Submittals

DB Contractor shall prepare, submit, update, and maintain all Submittals in accordance with the requirements of this Contract, including the Submittal Requirements.

5.2.1. General

(a) This Section 5 describes the terms and procedures that govern DB Contractor's Submittals to RCTC in accordance with this Contract. In the event of any irreconcilable conflict between the provisions of this Section 5 and other provisions of this Contract or the Administrative Project Plans concerning submission, review and approval procedures for Submittals, this Section 5 shall control, except to the extent that the conflicting provision expressly states that it supersedes this Section 5.

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(b) Where DB Contractor is required to make a Submittal to RCTC under this Contract, DB Contractor shall deliver such Submittal to the individual or organization, if any, appointed by RCTC to act on its behalf.

(c) Where DB Contractor is required to obtain an action (e.g., review, comment, approval) from Department or FHWA in connection with a Submittal under this Contract, DB Contractor shall timely make the corresponding Submittal to RCTC for RCTC to review and distribute to Department or FHWA, as applicable, in accordance with TP Section 3.1.2. In the case of all other third parties, DB Contractor shall make the Submittal directly to the third party in accordance with TP Section 3.1.2. DB Contractor shall coordinate with all third parties to determine and comply with their applicable requirements such that third-party action in connection with Submittals does not cause delay to the Project Schedule.

(d) DB Contractor shall provide RCTC with copies of all correspondence, communications, submittals or notices to, by or between DB Contractor and Department, FHWA, other Governmental Entities, Utility Owners, Other RCTC Contractors, property owners, insurers and other third parties with an interest arising out of or relating to the Work.

5.2.2. Time Periods

(a) Except as otherwise provided below, whenever RCTC and/or Department is entitled to review and comment on, to affirmatively approve, or take other action with respect to a Submittal, RCTC and/or Department will have the following time periods to provide DB Contractor the applicable review, comment, approval or other action after the date RCTC and/or Department, as applicable, receive an accurate and complete Submittal:

(i) For Phase 1 Submittals, the time period indicated in TP Attachment 3-1;

(ii) For the Administrative Project Plans, Design Documents, Construction Documents, and Requests for Information, the time periods indicated in TP Attachment 3-1 and TP Section 3;

(iii) For any RFI submitted by DB Contractor, three Business Days after receipt of a complete RFI by RCTC; and

(iv) For all other Submittals, the time periods expressly indicated for the applicable Submittal in this Contract or, if no specific time period is indicated, ten Business Days after receipt by RCTC or Department (as applicable).

(b) DB Contractor acknowledges that this Contract, including TP Section 3.1.2.7, includes certain limitations on the number, type, sequencing, bundling and packaging of Submittals DB Contractor may submit to RCTC and/or Department at any one time and during any particular period. DB Contractor shall comply with such limitations and constraints and RCTC shall have no obligation to review any Submittal that does not comply with the requirements of the Contract, including such limitations and constraints.

(c) All time periods for RCTC and/or Department to act shall be extended by the period of any delay caused, in whole or in part, by (i) the acts or omission of any DB-Related Entity or any DB Contractor Fault, and (ii) any Relief Event impacting the Critical Path (other than those described in clauses (b), (d), and (e) of the definition of "Relief Event").

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(d) RCTC shall endeavor to reasonably accommodate Notices from DB Contractor for expedited action on specific Submittals, within the reasonable and practical limitations on availability of RCTC personnel appropriate for acting on the types of Submittal in question, so long as DB Contractor sets forth in its request specific, abnormal or exigent circumstances demonstrating the need for expedited action. Such accommodation, if undertaken, may result in extension of the time period for review, response and/or approval of other Submittals. This provision shall not apply, however, during any time described in Section 5.2.2(c). DB Contractor acknowledges and agrees that the foregoing does not apply to the Department and that RCTC may not bind the Department to reduced or expedited time periods.

(e) Whenever RCTC and/or Department are required to affirmatively approve a Submittal or other matter under this Contract, and RCTC and/or Department, as applicable, deliver no approval, disapproval, consent, denial, determination, decision or other action within the applicable time period under this Section 5.2.2, then DB Contractor shall deliver to RCTC and/or Department, as applicable, a Notice stating the date within which RCTC and/or Department was to have decided or acted. Any delay from and after such Notice shall constitute an RCTC-Caused Delay (for RCTC failure to decide or act where the standard is a "reasonable" standard) for which DB Contractor may be entitled to relief under Section 21.

5.2.3. RCTC and Department Approvals

(a) If the Submittal is one where this Contract indicates approval, consent, determination, acceptance, decision or other action (including a failure to act which constitutes a disapproval) is required from RCTC and/or Department in its sole or good faith discretion, then RCTC's and/or Department's lack of approval, consent, determination, acceptance, decision or other action within the applicable time period under Section 5.2.2 will be deemed disapproval. If the approval, consent, determination, acceptance, decision or other action is subject to the sole discretion of RCTC and/or Department (as applicable), then its approval, consent, determination, decision or other action (including a failure to act which constitutes a disapproval) shall be subject to Section 1.8.

(b) Whenever this Contract indicates that a Submittal or other matter is subject to RCTC's and/or Department's approval, consent, determination, acceptance, decision or other action and the standard is a reasonableness standard, RCTC's and/or Department's exception, objection, rejection, disapproval or other action (including a failure to act which constitutes a disapproval) under this Section 5 shall be deemed reasonable, valid and binding if based on any of the following grounds or other grounds set forth elsewhere in this Contract:

(i) The Submittal or subject provision fails to comply, or is inconsistent, with any applicable covenant, condition, requirement, standard, term or provision of this Contract;

(ii) The Submittal or subject provision is not to a standard equal to or better than Good Industry Practice;

(iii) DB Contractor has not provided all content or information required or reasonably requested in respect of the Submittal or subject provisions thereof, in which case DB Contractor may resubmit the Submittal with the required content or information;

(iv) Adoption of the Submittal or subject provision, or of any proposed course of action under such Submittal, would result in a conflict with or violation of any Governmental Rule or Governmental Approval; or

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(v) In the case of a Submittal that is to be delivered to a Governmental Entity as a proposed Governmental Approval, or in order to obtain, modify, amend, supplement, renew, extend, waive or carry out a Governmental Approval, it proposes commitments, requirements, actions, terms or conditions that are (i) inconsistent with this Contract, Governmental Rule, the requirements of Good Industry Practice, or RCTC and/or Department practices for public-private contracting, or (ii) not usual and customary arrangements that RCTC and/or Department offers or accepts for addressing similar circumstances affecting its projects (except if usual and customary for RCTC and/or Department regarding its projects delivered via public-private contracting).

5.2.4. RCTC and/or Department Review and Comment

Whenever this Contract indicates that a Submittal or other matter is subject to RCTC and/or Department's review, comment, review and comment, disapproval or similar action not entailing a prior approval and RCTC and/or Department delivers no comments, exceptions, objections, rejections or disapprovals within the applicable time period under Section 5.2.2, then DB Contractor may proceed thereafter at its election and risk, without prejudice to RCTC and/or Department's rights to later object or disapprove in accordance with Section 5.2.3. No such failure or delay by RCTC and/or Department in delivering comments, exceptions, objections, rejections or disapprovals within the applicable time period under Section 5.2.2 shall constitute an RCTC-Caused Delay, or Relief Event or other basis for any Claim. When used in this Contract, the phrase "completion of the review and comment process" or similar terminology means either (a) RCTC and/or Department has reviewed, provided comments, exceptions, objections, rejections or disapprovals, and all the same have been fully resolved, or (b) the applicable time period has passed without RCTC and/or Department providing any comments, exceptions, objections, rejections or disapprovals.

5.2.5. Submittals Not Subject to Prior Review, Comment or Approval

Whenever this Contract indicates that DB Contractor is to deliver a Submittal to RCTC and/or Department but expresses no requirement for RCTC and/or Department review, comment, disapproval, prior approval or other action, then DB Contractor is under no obligation to provide RCTC and/or Department any period of time to review the Submittal or obtain approval of it before proceeding with further Project Work, and RCTC and/or Department may at any time review, comment on, take exception to, object to, reject or disapprove the Submittal in accordance with Section 5.2.6(a). No failure or delay by RCTC and/or Department in delivering comments, exceptions, objections, rejections or disapprovals with respect to any such Submittal shall constitute an RCTC-Caused Delay or be the basis of a Change Order, Relief Event or other basis for any Claim.

5.2.6. Resolution of RCTC and/or Department Comments and Objections

(a) DB Contractor acknowledges that RCTC and/or Department may provide comments, exceptions, disapprovals and objections which reflect concerns regarding interpretation or preferences of the commenter or which otherwise do not directly relate to grounds in Section 5.2.5. DB Contractor shall undertake reasonable efforts to accommodate or otherwise resolve any such comments, exceptions, disapprovals or objections through the review processes described in this Section 5.2.6.

(b) DB Contractor shall respond in writing to all of RCTC's and/or Department's comments, exceptions, disapprovals and objections to a Submittal and, except as provided below, make modifications to the Submittal as necessary to fully reflect and resolve all such comments, exceptions, disapprovals and objections, in accordance with the review

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processes in TP Section 3. However, if the Submittal is not governed by Section 5.2.3, DB Contractor is not obligated to incorporate any comments or resolve exceptions, disapprovals or objections that (a) are not on any of the grounds in Section 5.2.3 (and not on any other grounds set forth elsewhere in this Contract), (b) are otherwise not reasonable with respect to subject matter or length, and (c) would result in a delay to a Critical Path matter in the Project Schedule, or in costs associated with additional work or delay, except in accordance with a Change. If, however, DB Contractor does not accommodate or otherwise resolve any comment, exception, disapproval or objection, DB Contractor shall deliver to RCTC and/or Department a Notice within a reasonable time period, not to exceed 14 days after receipt of RCTC and/or Department's comments, exceptions, disapprovals or objections, an explanation why modifications based on such comment, exception, disapproval or objection are not required. The explanation must include the facts, analyses, and reasons that support the conclusion.

(c) If DB Contractor fails to provide Notice to RCTC within the time period in Section 5.2.6(b), RCTC may deliver to DB Contractor a Notice stating the date by which DB Contractor was to have addressed RCTC's and/or Department's comments and that if DB Contractor does not address those comments within five Business Days after receipt of this Notice, then that failure to act will constitute DB Contractor's agreement to make all changes necessary to accommodate and resolve the comment or objection and full acceptance of all responsibility for such changes without right to an RCTC-Directed Change, Relief Event or other basis for any Claim, including any Claim that RCTC and/or Department assumes design or other liability.

(d) After RCTC receives DB Contractor's explanation as to why the modifications are not required as provided in Sections 5.2.6(a) through 5.2.6(c), if RCTC and/or Department is not satisfied with DB Contractor's explanation, the Parties shall attempt in good faith to resolve the Dispute. If they are unable to resolve the Dispute, either Party may request dispute resolution in accordance with Section 28; provided, however, that if RCTC elects to issue a Directive Letter with respect to the matter in Dispute, DB Contractor shall proceed in accordance with RCTC's Directive Letter while retaining any Claim as to the matter in Dispute.

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SECTION 6
PERSONNEL

6.1. Designation of Representatives

6.1.1. RCTC and DB Contractor shall each designate an individual or individuals who shall be authorized to make decisions and bind the Parties on matters relating to this Contract (each a "**Representative**").

6.1.2. The initial designations for the RCTC Representative and DB Contractor's Representative are specified in Exhibit 2A (Contract Particulars (Phase 1)).

6.2. RCTC Representative

6.2.1. The RCTC Representative will give directions and carry out all other functions of the RCTC Representative under this Contract.

6.2.2. DB Contractor shall comply with any direction by the RCTC Representative given or purported to be given under a provision of this Contract.

6.2.3. Except where this Contract expressly provides otherwise, the RCTC Representative may give a direction orally but will as soon as practicable confirm such direction in writing.

6.2.4. RCTC may, by notice to DB Contractor, at any time, replace the RCTC Representative or appoint persons to exercise any of the RCTC Representative's functions under this Contract. The initial designations for exercise of the RCTC Representative's functions are specified in Exhibit 2A - Contract Particulars (Phase 1).

6.3. DB Contractor's Representative

6.3.1. DB Contractor shall ensure that the DB Contractor's Representative, as approved by RCTC, is present at the Site at all times reasonably necessary to ensure that DB Contractor is complying with its obligations under this Contract.

6.3.2. DB Contractor will be deemed to have received any direction given to the DB Contractor's Representative.

6.3.3. DB Contractor may replace the DB Contractor's Representative in accordance with Section 6.4 of this Contract.

6.4. Key Personnel; Qualifications of Employees

6.4.1. DB Contractor shall:

(a) Appoint or procure the engagement of the Key Personnel in the positions stated in the Contract Particulars;

(b) Not change, or permit any change in, Key Personnel without the prior written consent of RCTC, in its good faith discretion;

(c) Provide Notice to RCTC of any proposed changes in any Key Personnel;

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(d) Replace any Key Personnel who is unavailable due to disability, leave of absence, death, injury, illness, parental leave, promotion, retirement, termination, resignation, replacement for cause or is otherwise unavailable, with a Person of at least equivalent experience, ability and expertise, who is approved, in writing, by the RCTC Representative (in its sole discretion) prior to such replacement;

(e) Provide e-mail addresses and mobile telephone numbers for all Key Personnel. RCTC requires the ability to contact the following Key Personnel 24 hours per day, seven days per week:

(i) Project Manager;

(ii) Construction Manager;

(iii) Design Manager;

(iv) Environmental Compliance Manager;

(v) Construction Quality Validation Manager;

(vi) Traffic Manager - Construction; and

(vii) Safety Manager.

(f) Ensure the Key Personnel are available for the time commitment specified in TP Section 2.2; and

(g) Ensure that all Persons performing the Work:

(i) Have the skill and experience and any licenses, registrations or certifications required to perform the Work assigned to them; and

(ii) Are available for the Work and shall maintain active involvement availability in the prosecution and performance of the Work.

6.4.2. RCTC may review the qualifications and character of each individual to be appointed to a Key Personnel position requirements listed in TP Section 2.2 (including personnel employed by Subcontractors) and may approve or disapprove use of such individual in such position prior to the commencement of any Work by such individual or at any time during the prosecution of the Work.

6.4.3. If RCTC determines, in its good faith discretion, that any Person (a) is not performing the Work in a proper, safe and skillful manner or is detrimental to the Work; (b) poses a potential health, safety or security threat to RCTC's customers, RCTC Parties or assets; (c) does not meet the minimum performance requirements of the Work; or (d) is not qualified to fulfill the responsibilities of his or her appointed Key Personnel position requirements, then upon Notice from RCTC, DB Contractor or its Subcontractor shall promptly remove such Person and shall not re-employ them on the Project without the prior written approval of RCTC, which RCTC may grant or withhold.

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6.5. Key Personnel Liquidated Damages

6.5.1. If an individual filling one of the below Key Personnel roles is not available for, or actively involved in, the performance of the Work as required in TP Section 2.2, as determined by RCTC in its good faith discretion, then:

(a) DB Contractor acknowledges that RCTC and the Project will suffer significant and substantial damages and that it is impracticable and extremely difficult to ascertain and determine the actual damages which would accrue to RCTC in such event; and

(b) DB Contractor agrees to pay RCTC a liquidated amount as follows, for each position held by such individual, as deemed compensation to RCTC for such damages:

POSITION	LIQUIDATED AMOUNT
Project Manager	$150,000
Lead Estimator	$100,000
Construction Manager	$100,000
Design Manager	$100,000
Design Build Coordinator	$ 75,000
Design Lead Engineer - Structures	$ 50,000
Design Lead Engineer – Roadway	$ 50,000
Environmental Compliance Manager	$ 50,000
Quality Manager	$ 75,000
Tolling Infrastructure and Coordination Manager	$ 50,000
Construction Quality Validation Manager	$ 75,000

6.5.2. A further liquidated amount in accordance with Section 6.5.1 for the positions listed above or in the amount of $20,000 for any other Key Personnel will be payable from DB Contractor to RCTC for each 2 month period where any Key Personnel position is vacant or not being fulfilled in accordance with this Contract as determined by RCTC.

6.5.3. DB Contractor is not liable for Liquidated Damages under Section 6.5.1 if: (a) DB Contractor removes or replaces such personnel at the direction of RCTC; (b) such individual is unavailable due to death, retirement, injury, illness, parental leave, leave of absence, disability or no longer being employed by the applicable DB-Related Entity (provided that moving to an affiliated company or a Subcontractor is not considered grounds for avoiding Liquidated Damages); or (c) such individual is unavailable due to RCTC's failure to issue NTP Phase 1 within 240 days of the SOQ Step 2 Submittal Date for a reason other than the acts or omissions or any DB-Related Entity, or any DB Contractor Fault; provided, however, that, in each case, if DB Contractor promptly proposes to RCTC a replacement for such personnel for review and approval within 15 days of unavailability, in the case of Sections 6.5.3(a) or 6.5.3(b) or 15 days from the issuance of NTP Phase 1, in the case of Section 6.5.3(c).

6.5.4. Upon approval of any Key Personnel replacement under Section 6.5.3, the new individual shall be considered a Key Personnel for all purposes under this Contract, including Section 6.5.1.

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6.6. Role of PCM

6.6.1. Project and Construction Manager ("**PCM**") is responsible for oversight of all Work on RCTC's behalf. PCM shall coordinate comments from RCTC to DB Contractor with respect to the Work and shall be the primary liaison between RCTC and DB Contractor. PCM will perform the function of the "Department Engineer" under the Department Standard Specifications.

6.6.2. DB Contractor shall deliver all Design Documents, Construction Documents, other Submittals and other documents required to be submitted to RCTC in accordance with Section 5.2 to PCM.

6.6.3. PCM has certain responsibilities with respect to environmental mitigation requirements, as specified in TP Section 6.3.2 and TP Attachment 6-1.

6.6.4. RCTC may retain other consultants to provide services to RCTC relating to the Project. DB Contractor shall fully cooperate with PCM and RCTC's other consultants in the exercise of their respective duties and responsibilities in connection with the Project.

6.6.5. PCM is not authorized to:

(a) Direct or suspend the performance of the Work, unless continued performance of Work will endanger the health, welfare, or safety of the public or any Project worker, or will damage or endanger Environmentally Sensitive Areas;

(b) Approve Deviations;

(c) Approve Plans, Approve Design Documents, Approve changes in or Deviations/ Design Standard Decision Documents from the approved Design Documents;

(d) Approve performance by DB Contractor of extra Work or changed Work;

(e) Waive any Contract requirements or provisions

(f) Issue Directive Letters; or

(g) Approve Change Orders or Contract amendments.

6.7. Role of Department and FHWA

6.7.1. DB Contractor acknowledges and agrees that Department and FHWA will have certain review and approval rights with respect to the Project (including rights to approve the Project design and certain Change Orders), as well as the right to provide certain oversight, inspection and technical services with respect to the Project.

6.7.2. DB Contractor shall fully cooperate with Department and FHWA in the exercise of their respective duties and responsibilities in connection with the Project.

6.7.3. DB Contractor shall comply with all applicable terms, requirements and conditions of the Department Cooperative Agreement and TFA expressly set out in this Contract.

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6.8. Role of Other Local Agencies and RCTC Interface Contractors

6.8.1. DB Contractor acknowledges and agrees that other Local Agencies and RCTC Interface Contractors will have certain approval, review, and other rights with respect to the Project.

6.8.2. DB Contractor shall comply with all Local Agency terms, requirements and conditions applicable to the Work, including payment of all plan review and construction inspection costs charged by Local Agencies relating to the Work.

6.8.3. DB Contractor shall comply with applicable terms, requirements, and conditions in the Technical Provisions with respect to cooperation with Local Agencies and RCTC Interface Contractors.

6.8.4. Upon request by RCTC, DB Contractor shall: (a) provide additional obligee riders to the Payment Bonds and Performance Bonds in favor of Local Agencies; and (b) provide certificates naming Local Agencies as additional insureds to the insurance policies required to be provided under Section 14.

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SECTION 7
PLANNING AND DESIGN; NOTICES TO PROCEED; PHASE 1; PHASE 2

7.1. Technical Provisions (Phase 1)

7.1.1. DB Contractor Responsibility

DB Contractor:

(a) Warrants that its preparation of the Phase 1 Design Documentation in accordance with the Technical Provisions (Phase 1) will ensure that the Phase 1 Design Documentation complies with the requirements of this Contract; and

(b) Acknowledges that the Technical Provisions (Phase 1):

(i) Do not limit DB Contractor's obligations under this Contract or otherwise under any Governmental Rule or Governmental Approval; and

(ii) May require updating and refining throughout the performance of the Work to reflect any Change Order or to the extent that the Technical Provisions (Phase 1) do not reflect all tasks and other things to be done or provided to perform the Work in accordance with this Contract.

7.2. Commencement of Phase 1 Work

7.2.1. DB Contractor shall not commence any Phase 1 Work until RCTC has issued NTP Phase 1.

7.2.2. DB Contractor acknowledges and agrees that:

(a) RCTC has no obligation to issue NTP Phase 1; and

(b) Unless and until NTP Phase 1 is issued, RCTC has no liability to DB Contractor under this Contract.

7.2.3. Subject to Section 7.2.2(a), RCTC shall not issue NTP Phase 1 until the applicable conditions in the Contract Particulars have been satisfied.

7.2.4. Issuance of NTP Phase 1 authorizes DB Contractor to perform the Phase 1 Work, provided DB Contractor obtains the applicable approvals and permits described in TP Sections 1.1.4 and 9.4.3.

7.3. Phase 1 General Obligations.

Upon RCTC's issuance of NTP Phase 1, and during Phase 1, DB Contractor shall engage and work in a collaborative, efficient and coordinated manner with RCTC and Project stakeholders to:

(a) Commence to plan and perform the Phase 1 Work in consultation with RCTC and in accordance with this Contract;

(b) Develop Project design, carry out design review activities and prepare all relevant Phase 1 Design Documentation and other Submittals in accordance with this Contract and as otherwise specified by RCTC in writing;

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(c) Take all necessary steps (including submitting applicable documentation) to achieve:

(i) The Phase 1 Milestones by the relevant Phase 1 Milestone Deadline; and

(ii) Phase 2 Approval on or before the Phase 2 Approval Deadline.

(d) Update RCTC estimates, OPC and forecasts regarding the Project, provide data to RCTC to reflect real time information and provide all pricing, estimates and other data on an Open Book Basis in a format otherwise acceptable to RCTC;

(e) Implement a controls system approved by RCTC and capable of being broken down and reported in several different work breakdown structures, including organizing the financial data by cost element codes, Subcontracts, vendors, construction packages, etc.;

(f) Obtain required inputs regarding the Project's design and functionality to enable RCTC to develop the Technical Provisions (Phase 2) and coordinate the development of the GMP (Phase 2); and

(g) Undertake such risk reduction studies and actions as are required by the Technical Provisions or as are necessary, in accordance with Good Industry Practice, for the comprehensive, safe and accurate planning, scoping, design, costing and programming of the Work during Phase 1.

7.3.2. Requirements for Phase 1 Progress Submittals

Each Submittal during Phase 1 shall take into account:

(a) RCTC's proposed budget for the Project;

(b) the Project Goals;

(c) RCTC's desire to reduce the cost and time to achieve Project Completion, while obtaining a high-quality project that meets Project lifecycle and quality objectives;

(d) all opportunities for cost savings in accordance with Good Industry Practice without derogating from the Project Goals and meeting the other requirements of this Contract; and

(e) any other relevant considerations which the RCTC Representative may from time to time specify to DB Contractor in writing.

7.3.3. Design Review Process and Compliance with Final Design Documents

(a) DB Contractor shall:

(i) Prepare, sign, seal and provide Design Documents and Construction Documents to RCTC, Department and other third parties, as applicable, for appropriate action in accordance with this Contract, including TP Section 3;

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(ii) Obtain Department and RCTC approval for any Deviation from Department Standards per TP Section 1.3.1.2, including design exceptions from applicable Department requirements, as specified in TP Section 10.3.2;

(iii) Obtain RCTC and Department approval of Release for Construction Packages in TP Section 3.3.1.7 and Final Design Documents and design changes in TP Section 3.3.1.8 in accordance with TP Section 3.1.2.5. Approval by RCTC and Department of Release for Construction Packages and Final Design Documents, as described in TP Section 3.1.2.5, shall constitute approval of the design in advance of construction by RCTC and Department for purposes of Government Code section 830.6, and shall not relieve DB Contractor of liability for the design;

(iv) Provide Notice to RCTC within the earlier of 14 days (i) after receipt of any comments, the incorporation of which DB Contractor believes would materially impact and/or adversely affect the Design Documents, Construction Documents, the Work, the Project Schedule or any other part of this Contract; or (ii) the date on which it should have, in the exercise of reasonable diligence or in the performance of its obligations under this Contract, been aware that such comments would materially impact and/or adversely affect the Design Documents, Construction Documents, the Work, the Project Schedule or any other part of this Contract. Failure of DB Contractor to provide Notice to RCTC shall not relieve DB Contractor of its full responsibility and liability for the design of the Project under this Section 7;

(v) Respond with reasonable detail to the comments and make modifications to the Design Documents and Construction Documents based on the comments in accordance with TP Section 3, including specifically TP Section 3.1.2.5. DB Contractor acknowledges that comments may be provided that reflect concerns regarding constructability, operability, maintenance, life cycle or preferences of the commenter or that otherwise do not directly relate to specific requirements of this Contract. DB Contractor shall undertake reasonable efforts to accommodate or otherwise resolve any such comments through the review processes described in TP Section 3.1.2, provided, however, that DB Contractor shall not be required to incorporate any comments regarding operability, maintenance, life cycle or preferences that would result in a significant disruption to its schedule or a significant increase in its costs, except in accordance with an RCTC-Directed Change; and

(vi) Coordinate design reviews by and obtain all required design approvals and other action required under this Contract from, Governmental Entities, and Utility Owners in connection with the Work in accordance with TP Section 3.1.2 and TP Attachment 3-2.

(b) The Final Design Documents may be changed only with prior written approval of RCTC and Department.

7.4. Design Professional Licensing Requirements

(a) DB Contractor acknowledges that it shall furnish and provide the professional services of the Project itself or through Subcontracts with licensed/registered professional service firm(s) as provided in this Contract and Governmental Rules.

(b) Any references in this Contract to DB Contractor's responsibilities or obligations to "perform" the professional services portions of the Work shall be deemed to mean that DB Contractor shall "furnish" the professional services for the Project. The terms and provisions of this Section 7.4 shall control and supersede every other provision of this Contract.

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7.5. Phase 2 Amendment and Phase 2 Approval

7.5.1. During Phase 1 and continuing through the Phase 2 Approval Deadline:

(a) The Parties shall negotiate in good faith to seek to reach an agreement on all details to be included in the Phase 2 Amendment; and

(b) DB Contractor shall prepare the required Submittals that form part of Phase 2 Amendment setting out the details agreed in Section 7.5.1(a) and submit such documents to RCTC for review and approval in accordance with the Submittal Requirements. RCTC shall prepare the Phase 2 Amendment setting out the details agreed in Section 7.5.1(a) use reasonable endeavors to negotiate and agree such form with RCTC. Upon review of the applicable Submittals, the RCTC Representative shall have sole discretion to determine if Phase 2 Approval has been achieved and that RCTC will enter into the Phase 2 Amendment.

7.5.2. If the RCTC Representative determines that Phase 2 Approval is achieved, then:

(a) RCTC will issue a written notice to DB Contractor stating the date upon which Phase 2 Approval was achieved ("**Date of Phase 2 Approval**");

(b) RCTC shall seek the Commission's approval of the Phase 2 Amendment; and

(c) Subject to obtaining the Commission's approval and DB Contractor satisfying the conditions precedent to execution of the Phase 2 Amendment in the Contract Particulars (Phase 2) to RCTC's satisfaction, the Parties shall execute the Phase 2 Amendment and, from that point in time, references to "Contract" will be references to that amended contract, under which DB Contractor will complete the Phase 2 Work.

7.5.3. If RCTC determines that Phase 2 Approval is not achieved, then RCTC will issue a Notice to DB Contractor stating that Phase 2 Approval has not occurred and Section 7.7 shall apply.

7.5.4. The Commission is not obligated to approve the Phase 2 Amendment and authorize the execution of the Phase 2 Amendment, even if the Phase 2 Approval has been achieved and DB Contractor acknowledges that the Commission retains sole discretion as to such decision.

7.6. DB Contractor Acknowledgements and Warranties Regarding Phase 2 Approval

7.6.1. DB Contractor acknowledges and agrees that:

(a) Unless directed otherwise by Change Order, DB Contractor may not proceed with the Phase 2 Work, unless Phase 2 Approval has occurred, the Phase 2 Amendment has been executed and the NTP Phase 2 has been issued;

(b) The division of Work into Phase 1 and Phase 2 is solely for the benefit of RCTC, to enable use of a delivery methodology allowing this Contract's award before completion of the Environmental Review Process and determination of GMP (Phase 2);

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(c) Neither RCTC nor the RCTC Representative is required to exercise its discretion to determine Phase 2 Approval or Project Completion for DB Contractor's benefit;

(d) No provision of this Section 7 conferring sole discretion upon RCTC, the RCTC Representative or the Commission gives DB Contractor any rights (including any right to make a Claim arising out of the exercise or failure to exercise that sole discretion);

(e) The exercise or failure to exercise such sole discretion is not capable of being the subject of a Dispute and is not otherwise subject to review or challenge; and

(f) As of the Phase 2 Amendment Effective Date, RCTC has fulfilled all of its obligations with regard to the Phase 1 Work, and DB Contractor hereby releases RCTC from any and all Claims in connection with the Phase 1 Work, including any of DB Contractor's rights under section 1542 of the Civil Code, which provides:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

As a condition precedent to the Phase 2 Amendment Effective Date, the foregoing waiver and release shall be set forth in a contemporaneous written agreement executed by DB Contractor in form and substance satisfactory to RCTC.

7.6.2. By executing the Phase 2 Amendment:

(a) DB Contractor acknowledges its material and primary role in the development of the applicable Technical Provisions, the Risk Matrix, Preliminary Design Plans and the Administrative Project Plans; and

(b) DB Contractor represents and warrants to RCTC as of the Phase 2 Amendment Effective Date, as follows:

(i) Upon execution of the Phase 2 Amendment, the representations and warranties in Section 3.1 are remade and confirmed as of the date of the Phase 2 Amendment and such representations and warranties continue to apply;

(ii) The Technical Provisions for the applicable Phase adequately defines the Work for that Phase and complies with all other requirements under this Contract, except to the extent that RCTC has consented to modify any such requirement through a Change Order;

(iii) In accordance with Good Industry Practice and the Contract, including the applicable Technical Provisions, DB Contractor has: (A) reviewed and analyzed all information provided in the Reference Documents regarding the Work for Phase 2; (B) evaluated the constraints affecting such Work; and (C) reviewed and analyzed all information developed during Phase 1;

(iv) DB Contractor has reasonable grounds for believing and does believe such Work's performance in accordance with this Contract (including the applicable Technical Provisions) will not exceed the GMP (Phase 2) and can be completed within the Project Schedule;

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(v) DB Contractor has familiarized itself with the requirements of Governmental Rules and the conditions of any Governmental Approvals required in connection with the applicable Phase and has no reason to believe that any Governmental Approval required to be obtained by DB Contractor will not be granted in due course and remain in effect so as to enable the Work to proceed in accordance with this Contract and the Project Schedule;

(vi) Subject to any entitlement for an extension of time as a result of a Relief Event, DB Contractor shall achieve: (A) Completion of the Work for the applicable Phase so as not to exceed the GMP (Phase 2); and (B) each Milestone by the applicable Milestone Deadline;

(vii) Except as expressly provided in this Contract, if the Phase 2 Work cannot be completed for the GMP (Phase 2), any additional costs shall be DB Contractor's responsibility and DB Contractor assumes liability for such costs without reimbursement by RCTC; and

(viii) No event has occurred that, with the passage of time or the giving of notice, would constitute a Relief Event or give rise to a Claim relating to the Phase 1 Work.

7.7. Failure to Achieve Phase 1 Milestone, Phase 2 Approval

7.7.1. If, due to no breach of DB Contractor's obligations under this Contract:

(a) Any Phase 1 Milestone is not achieved within 30 days after the applicable Phase 1 Milestone Deadline; or

(b) Phase 2 Approval is not achieved within 30 days after the Phase 2 Approval Deadline;

then, subject to Section 7.7.2 and upon RCTC's Notice to that effect, RCTC may terminate this Contract for convenience under Section 23 and the terms applicable to a termination for convenience shall apply.

7.7.2. If, due, in whole or in part, to DB Contractor Fault,

(a) Any Phase 1 Milestone is not achieved by the applicable Phase 1 Milestone Deadline; or

(b) Phase 2 Approval is not achieved by the Phase 2 Approval Deadline,

then, RCTC may terminate this Contract under Section 24.2.1(a) and the terms applicable to an Event of Default shall apply, including as provided in Section 24.

7.8. Packages

It is anticipated that the Phase 2 Work will be completed in Packages. After the CEQA Approval and NEPA Approval (if applicable) are obtained, and after satisfaction of the conditions to Phase 2 described in Section 7.9, RCTC may, in its sole discretion, allow Phase 2 Work to be performed by Package and provide Notice to DB Contractor of that Package, in which case:

(a) Each such part of the Phase 2 Work will be a Package as specified in the Notice;

(b) The relevant provisions of this Contract regarding Phase 2 will apply to such Package as if it were the only work included in the Phase 2 Work;

(c) The Milestone Deadline(s), conditions to Completion, Completion Deadline, liquidated damages under Section 25.1, Lump Sum or NTE for the applicable Package, insurance requirements under Exhibit 12 (Insurance Requirements), and premiums for Bonds and insurance will be:

(i) As agreed by the Parties; or

(ii) To the extent not agreed by the date stated in the Notice, as determined by the RCTC Representative,

and, in each case, recorded by RCTC in the Contract Particulars (Phase 2); and

(d) Such other conditions specified by RCTC in its NTP Phase 2 will apply.

7.9. Commencement of Phase 2 Work

7.9.1. DB Contractor shall not commence any Package of Phase 2 Work unless and until RCTC has issued an NTP Phase 2 authorizing the applicable Package of Phase 2 Work.

7.9.2. DB Contractor acknowledges and agrees that:

(a) RCTC has no obligation to issue any NTP Phase 2; and

(b) Unless and until an NTP Phase 2 is issued, RCTC has no liability to DB Contractor for the Phase 2 Work under this Contract.

7.9.3. Subject to Section 7.9.2(a), RCTC will issue an NTP Phase 2 upon satisfaction of the conditions for the applicable Package of Phase 2 Work set out in the Contract Particulars (Phase 2).

7.10. Phase 2 Design Work

7.10.1. After RCTC issues an NTP Phase 2, if any, DB Contractor shall (as applicable):

(a) Commence to plan and perform the applicable Package of Phase 2 Work, in each case in consultation with RCTC and in accordance with this Contract;

(b) Take all necessary steps to achieve the Phase 2 Milestones or applicable Package Milestones, as applicable, by the relevant Milestone Deadlines;

(c) Provide RCTC with all assistance it may reasonably require in connection with the Project Assets, before the Completion Deadline.

(d) Complete and furnish the Design Work and design review activities in accordance with (i) the Technical Provisions (Phase 2), (ii) the Phase 1 Design Documentation (as may have been modified in accordance with this Contract) and (iii) the other requirements of this Contract;

(e) Prepare all relevant Phase 2 Design Documentation and Submittals for submittal to RCTC in accordance with this Contract; and

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(f) Coordinate and be responsible for the work of its design Subcontractors, including by providing and directing all necessary personnel to administer, supervise, inspect, coordinate and control these Subcontractors.

7.11. Availability

DB Contractor shall keep available for access on the Site, and any area off-Site where the Work is being carried out, for the use of the RCTC Representative, RCTC or anyone else acting on behalf of RCTC, one complete set of each of the Technical Provisions, all Phase 1 Design Documentation, all Phase 2 Design Documentation and all other Books and Records directed in writing by the RCTC Representative. Original hard copies are only required to be kept at the Site, and any area off-Site where the Work is being carried out for documents with wet signature.

7.12. Cost Control

DB Contractor shall:

(a) Conduct, on an Open Book Basis, review of the Phase 2 Proposal and any other OPC or Cost Model submissions (each a "**Cost Submission**") with the RCTC Representative as the preparation of the Phase 2 Design Documentation proceeds, to:

(i) Advise the RCTC Representative how the Phase 2 Design Documentation should or can be modified to ensure the cost of performing the Phase 2 Work is in line with Project Goals;

(ii) Institute a system of cost control on an Open Book Basis and, together with the RCTC Representative, review and, where approved by the RCTC Representative, amend the applicable Cost Submission to take account of any item affecting or likely to affect any component of the Cost Submission, and advise the RCTC Representative as to the alternative steps available where:

(1) The proposals for any subcontracted part of the Work exceed the amount included for that work in the applicable Cost Submission; or

(2) The cost of the work exceeds (or appears likely to exceed) the amount allowed for that Work in the applicable Lump Sum (Phase 1) or GMP proposal; and

(b) Perform the work and complete each Phase or Package of Project Completion (as applicable) so that the amounts payable to DB Contractor under Section 18 do not exceed the applicable Lump Sum (Phase 1) or GMP (Phase 2) or GMP for the Package, as applicable.

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SECTION 8
TIME WITHIN WHICH PROJECT SHALL BE COMPLETED, PROJECT SCHEDULE AND PROGRESS

8.1. Time of Essence

8.1.1. DB Contractor acknowledges and agrees that time is of the essence with respect to the dates and times set forth in the Contract.

8.1.2. Except as otherwise specifically provided in Sections 19 and 21, and subject to any constraints on Work under this Contract (including applicable Governmental Rules), DB Contractor shall:

(a) Perform the Work in accordance with this Contract so as to achieve each Completion Milestone by the applicable Completion Deadline and in accordance with the Project Schedule; and

(b) Provide such employees, materials, facilities and equipment, and work such hours, extra shifts, overtime operations, weekends, and holidays as necessary to achieve each Completion Milestone by the applicable Completion Deadline.

8.2. Scheduling of Design, Construction and Payment

8.2.1. Project Schedule

(a) DB Contractor shall undertake and complete the Phase 1 Work before selection of a preferred build alternative under TP Section 3.3.1.4 in accordance with the Preliminary Phase 1 Baseline Schedule.

(b) DB Contractor shall submit to RCTC a draft Phase 1 Baseline Schedule in accordance with by TP Section 4.3.3.

(c) DB Contractor shall undertake and complete the Phase 1 Work after selection of a preferred build alternative under TP Section 3.3.1.4 in accordance with the Preliminary Phase 1 Baseline Schedule.

(d) DB Contractor shall submit to RCTC a draft Conceptual Schedule with each Cost Validation OPC in accordance with TP Section 8.2.

(e) DB Contractor shall submit to RCTC drafts of the Phase 2 Baseline Schedules for review and comment in accordance with TP Section 4.3.3.

(f) DB Contractor shall submit to RCTC a final draft of the Phase 2 Baseline Schedules with the Phase 2 Proposal for review and comment in accordance with TP Section 4.3.3.

(g) DB Contractor shall undertake and complete the Phase 2 Work in accordance with the Phase 2 Baseline Schedule.

(h) The Parties shall use the then-applicable Project Schedule to plan and monitor the progress of the Work, and as the basis to determine the amount of monthly progress payments owing from RCTC to DB Contractor.

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(i) RCTC has no obligation to accept a Project Schedule that sets forth Completion Deadlines that differ from a previously-approved Baseline Schedule (as applicable), as those durations may be extended in accordance with Section 21; provided, however, that, if RCTC accepts a Project Schedule with Completion Deadlines forecasted earlier than the previously-approved Project, then the difference between the forecasted early Completion Deadline and the specified Completion Deadline shall be considered Float.

(j) If DB Contractor plans to achieve any Completion Milestone prior to the scheduled Completion Deadline, RCTC shall not be responsible for any delays or compensation related to delays, however caused, that affect DB Contractor's planned early completion.

(k) Without limiting Section 1.4, RCTC's acceptance of a Project Schedule shall not:

(i) Imply RCTC's acceptance of any particular construction methods, or relieve DB Contractor from its responsibility to provide sufficient materials, equipment and labor to guarantee completion of the Project (or any portion thereof) in accordance with this Contract;

(ii) Attest to the validity of assumptions, activities, relationships, sequences, resource allocations or any other aspect of the applicable Project Schedule;

(iii) Imply that DB Contractor is entitled to any Change Order extending a Completion Deadline or adjusting the Contract Price; or

(iv) Modify this Contract.

(l) DB Contractor's failure to include any element of Work required by the Contract in the applicable Project Schedule shall not relieve DB Contractor's responsibility to perform that element of Work.

8.2.2. Float

(a) All Float contained in the Project Schedule, or generated after RCTC's approval of the Baseline Schedule, shall be a Project resource available to either Party or both Parties, as needed, to absorb delays caused by any event and to achieve schedule milestones, interim completion dates and/or Completion Deadlines.

(b) All Float shall be shown as such in the Project Schedule and on each applicable schedule path. RCTC shall consider DB Contractor's identification of (or failure to identify) Float on the Project Schedule in determining whether to approve the Project Schedule. Once identified, DB Contractor shall monitor, account for and maintain Float in accordance with CPM.

8.3. Conditions to Design Work Review and Payment

8.3.1. RCTC shall have no obligation to commence its review of, or pay DB Contractor for, any Design Documents until RCTC (a) issues NTP Phase 1, and (b) receives and approves: (i) the Design Quality Management Plan (general requirements and professional services); and (ii) the Submittal Schedule.

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8.3.2. All time periods available under this Contract for RCTC to review and, as applicable approve any Design Document submitted before the date all conditions in Section 8.3.1 are satisfied shall begin to run on the date on which such conditions are satisfied and shall be subject to TP Section 3.1.2.7.

8.4. Conditions to Commencement of Construction

8.4.1. Construction Work Generally

(a) Except with the prior written approval of RCTC, DB Contractor shall not start construction of any portion of the Project (or recommence construction following any suspension) unless:

(i) RCTC has delivered NTP Phase 2 for the applicable portion of the Project to DB Contractor;

(ii) RCTC and, as applicable, Department have approved the Phase 2 Design Documentation, Emergency Incident Action and Communications Crisis Protocol Plan, the approved Pre-Construction Checklist, all requirements of the Construction Quality Management Plan, all Release for Construction Packages and Construction Documents for the applicable portion of the Project;

(iii) DB Contractor has obtained, complied with and delivered to RCTC in fully executed, required form, all approvals from RCTC and any Governmental Approvals necessary for construction of the applicable portion of the Project required by the Administrative Project Plans and this Contract;

(iv) The Performance Bond, Payment Bond and any Guaranty required under the Contract are in full force and effect;

(v) All insurance policies required to be delivered to RCTC under this Contract prior to commencement of construction of the applicable portion of the Project have been received and approved by RCTC and shall remain in full force and effect;

(vi) All necessary rights of access acceptable to RCTC, in its good faith discretion, for construction of the applicable portion of the Project have been obtained, and all previous owners or occupants of such portion of RCTC-Provided Property have been relocated;

(vii) All pre-construction environmental surveys and mitigation have been completed as required by the Governmental Approvals or otherwise under this Contract for the area(s) proposed for construction, and DB Contractor has performed all other survey work and delivered all notices required by this Contract to be delivered prior to commencement of construction on such portion of the Project;

(viii) All representations and warranties of DB Contractor in Section 3.1 remain true and correct in all material respects;

(ix) There exists no uncured Event of Default for which DB Contractor has received Notice from RCTC and no event exists that, with the giving of Notice or the passage of time, would constitute an Event of Default; and

(x) DB Contractor has provided to RCTC at least 15 days' advance Notice of the date DB Contractor determines it will satisfy the conditions in this Section 8.4.1.

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(b) As used in this Section 8.4.1, the term "construction" specifically excludes potholing and geotechnical investigations incidental to design Work, mobilization, Site security and establishment of work yard(s) and storage sites.

8.4.2. DB Utility Work

(a) DB Contractor shall submit to RCTC the final Utility Strip Map for review and approval within 90 days after NTP Phase 1 ("**Utility Strip Map Deadline**").

(b) DB Contractor shall not commence or permit commencement of construction of any Relocation or Incidental Utility Work until:

(i) RCTC has issued NTP Phase 2;

(ii) RCTC approves the final Utility Strip Map; and

(iii) All the conditions in Section 8.4.1, that are applicable to the Relocation or Incidental Utility Work (reading such provisions as if they referred to the applicable Relocation or Incidental Utility Work) have been satisfied.

(c) With respect to Relocations only, DB Contractor shall not commence or permit commencement of construction of any Relocation until:

(i) Except as otherwise provided in Section 10.6.5, the Relocation is contemplated by an executed Utility Agreement;

(ii) The review and comment process has been completed or RCTC's approval has been obtained, as applicable, for the Utility Plans covering the Relocation; and

(iii) Any other required approvals, including Governmental Approvals, have been obtained for the Utility Plans covering the Relocation.

8.5. Recovery Schedule

8.5.1. If at any time, the Work on any Critical Path or near critical item is delayed for a period that exceeds the lesser of (a) 30 days in the aggregate, or (b) that number of days in the aggregate equal to 5% of the days remaining until the applicable Completion Deadline (including delays for which DB Contractor is entitled to submit a Claim for a time extension subject to complying with Section 21), then DB Contractor shall prepare and submit to RCTC for review and approval a Recovery Schedule within ten Business Days after DB Contractor first becomes aware of such delay or otherwise at the request of RCTC.

8.5.2. Within ten Business Days after receipt of a Recovery Schedule, RCTC shall provide Notice to DB Contractor as to whether the Recovery Schedule is approved or rejected. Within five Business Days after RCTC's rejection of a Recovery Schedule, DB Contractor shall resubmit a revised Recovery Schedule incorporating RCTC's comments.

8.5.3. Within five Business Days after RCTC's approval of a Recovery Schedule, DB Contractor shall incorporate and fully include such Recovery Schedule into the

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Project Schedule and perform the Work so as to achieve the Recovery Schedule.

8.5.4. If DB Contractor fails to provide RCTC with an acceptable Recovery Schedule, and the reason for the necessity of the Recovery Schedule does not relate to an event for which DB Contractor is entitled to submit a Claim for a time extension subject to complying with Section 16, within 30 days after DB Contractor's receipt of Notice to do so, RCTC may withhold up to 10% from each progress payment owing to DB Contractor thereafter until DB Contractor prepares and RCTC reviews and approves the Recovery Schedule. Any failure or delay in DB Contractor's submittal or RCTC's approval of a Recovery Schedule shall not result in any compensation, time extension or otherwise entitle DB Contractor to any Claim under this Contract.

8.5.5. The requirement to submit a Recovery Schedule shall not preclude the need for, or delay the submittal of, regular monthly updates of the Project Schedule during the period when a Recovery Schedule is being prepared and submitted by DB Contractor and reviewed and approved by RCTC.

8.5.6. If a Recovery Schedule is submitted under Section 8.5 and approved by RCTC, DB Contractor shall promptly comply with the approved Recovery Schedule. If DB Contractor does not comply with the approved Recovery Schedule, RCTC may require an increase in DB Contractor's resources at DB Contractor's sole cost. Failure of DB Contractor to comply with this Section 8.5 shall be grounds for determination by RCTC that DB Contractor is not prosecuting the Work with the diligence required to ensure completion in accordance with this Contract and RCTC may exercise its rights for an Event of Default in Section 24.

8.5.7. DB Contractor's compliance with a Recovery Schedule shall not be considered acceleration or a direction to accelerate by RCTC and DB Contractor shall bear all costs and risks thereof. Acceleration Costs shall only be compensable pursuant to an executed Change Order that expressly identifies the applicable costs as Acceleration Costs compensable to DB Contractor.

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SECTION 9
CONTROL OF WORK

9.1. Safety and Control

9.1.1. DB Contractor shall:

(a) Have sole responsibility and control over the construction means and methods, techniques, sequences, procedures for the Work;

(b) Take all reasonable precautions and have sole responsibility for the safety of, and provide protection to prevent damage, injury, or loss to, all Persons on the Site or who would reasonably be expected to be affected by the Work, including Persons performing Work, employees of RCTC, Department, FHWA and their respective consultants, visitors to the Site and members of the public and travelling public;

(c) Comply with all safety requirements of this Contract, the RCTC-approved Health and Safety Plan, and all such requirements under applicable Governmental Rules and Government Approvals (as applicable); and

(d) Undertake the Work in a manner that will minimize the effect on surrounding property and the public to the maximum extent practicable.

9.1.2. If, in the sole discretion of RCTC, PCM or Department, any conditions or activities may present an imminent danger that could result in serious injury, death, material property damage or material loss of revenues, RCTC may direct DB Contractor to stop the affected portion of the Work immediately and not to recommence the Work until the practices or conditions are corrected to the satisfaction of RCTC, PCM and Department.

9.1.3. If the Work or any portion of it is suspended by RCTC, PCM, Department or any other Governmental Entity because of an unsafe condition, such suspension shall be treated in accordance with Section 22.2.1

9.2. Oversight, Inspection and Testing

9.2.1. DB Contractor shall at all times permit RCTC, Department, PCM, FHWA and their authorized representatives safe, free and unrestricted access to the Work and the Site to the extent necessary or advisable (as determined by each of such entities) to: (i) comply with FHWA or other applicable federal agency requirements; (ii) carry out Department's inspection and other rights under the Department Cooperative Agreement and California Streets and Highways Code section 91.2; and (iii) verify DB Contractor's compliance with this Contract and Administrative Project Plans. DB Contractor shall cause its representatives to be available at all reasonable times for consultation with RCTC, Department, PCM and FHWA.

9.2.2. RCTC, Department, FHWA and PCM shall perform activities under this Section 9.2 in compliance with DB Contractor's reasonable safety procedures and in a manner intended to minimize interference with the Project.

9.2.3. If this Contract or any Governmental Rule requires any portion of the Project or the Site to be inspected, tested or approved by RCTC, FHWA or

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Department, DB Contractor shall give RCTC timely Notice of its readiness to continue the Work, pending satisfaction of any such inspection, test or approval, so RCTC and, if applicable, Department may observe or make such inspection, testing or approval. DB Contractor shall not proceed with any such inspection, test or approval until RCTC, FHWA or Department, as applicable, have observed or made such inspection, test or approval or provided Notice waiving their respective rights to inspect, test or approve.

9.2.4. DB Contractor shall provide to RCTC all test results and reports one Business Day after DB Contractor receives them. Where the inspection, test or approval does not meet the requirements of this Contract or Governmental Rules, DB Contractor shall provide further Notice to RCTC of such fact and re-perform the inspection, test or approval in accordance with this Contract as if it were the original inspection, test or approval.

9.2.5. When any Utility Owner is to accept or pay for a portion of the cost of the Work, its respective representatives have the right to oversee, inspect and test such Work.

9.2.6. Without limiting the foregoing, DB Contractor shall afford RCTC, PCM, Department, FHWA, and their respective authorized representatives: (a) safe and unrestricted access to the Project and the Site at all times, (b) safe access during normal business hours to DB Contractor's Project offices and operations buildings and (c) unrestricted access to data related to the Project, subject to Section 29.2. Without limiting the foregoing, DB Contractor shall deliver to RCTC upon request accurate and complete Books and Records regarding the Project and the Relocation Work, in the format required by the Contract, including the Technical Provisions.

9.2.7. Nothing in this Contract shall preclude, and DB Contractor shall not interfere with, any review or oversight of Submittals or of Work that FHWA or any other applicable federal agency may desire to conduct.

9.2.8. DB Contractor shall bear the costs of inspections, tests or approvals as set out in the Technical Requirements.

9.3. Obligation to Uncover Finished Work

9.3.1. Before covering any part of the Work, DB Contractor shall provide Notice to RCTC and Department, and offer RCTC, Department, PCM and any other Persons designated by RCTC a full and adequate opportunity to inspect and test such part of the Work before it is covered.

9.3.2. At all times before Final Acceptance, DB Contractor shall remove or uncover such portions of the finished or covered construction Work as directed by RCTC or Department for inspection and/or testing by RCTC, Department, PCM and any other Persons designated by RCTC.

9.3.3. If, after inspection and/or testing under Sections 9.2.1 or 9.2.2, the Work exposed or examined is found to not be in accordance with this Contract:

(a) DB Contractor shall rebuild, repair or replace the Work to the standard required by this Contract; and

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(b) Recovery of any delay to any Critical Path occasioned by such examination shall be at DB Contractor's cost and DB Contractor is not entitled to any Claim in connection with the inspection and/or testing.

9.3.4. If DB Contractor fails to provide Notice in accordance with Section 9.3.1 to allow RCTC, Department, PCM and any other Persons designated by RCTC a full and adequate opportunity to inspect and test any Work done or materials used, DB Contractor may be ordered to uncover, remove, repair, restore or replace the Work by RCTC at DB Contractor's cost and without an entitlement to a Claim, even if the Work proves to be in compliance with the Contract after uncovering.

9.4. Nonconformances and Correction of Work

(a) At any time prior to Project Completion and within a reasonable period after RCTC has Actual Knowledge of any Nonconformance, RCTC may give DB Contractor a Notice of Nonconformance.

(b) If RCTC fails to provide Notice in accordance with Section 9.4(a), such failure shall not constitute a waiver of RCTC's rights.

(c) If DB Contractor has Actual Knowledge of any Nonconformance or has received Notice from RCTC under Section 9.4(a), DB Contractor shall:

(i) Promptly, and within five Business Days, provide Notice to RCTC of such Nonconformance and otherwise comply with the obligations in TP Section 5.3.3.1.2;

(ii) Subject to Section 9.4(c)(iii), remedy such Nonconformance and any damage to the TSP Work, or property of third parties to the extent caused by such Nonconformance within ten Business Days of having Actual Knowledge;

(iii) If DB Contractor considers it is not possible to remedy the Nonconformance within ten Business Days of having Actual Knowledge or receipt of Notice: (1) make efforts to remedy such Nonconformance within ten Business Days of having Actual Knowledge or receipt of Notice; (2) submit a written plan to RCTC for approval, in its good faith discretion, identifying DB Contractor's process for remedying the Nonconformance and the proposed timeframe for remedying the Nonconformance within ten Business Days of having Actual Knowledge or receipt of Notice ("**Corrective Action Plan**"); and (3) if such Corrective Action Plan is approved by RCTC, remedy the Nonconformance within the time period for remedy approved in such Corrective Action Plan;

(iv) Take all action necessary to prevent similar Nonconformance from occurring in the future; and

(v) Perform such tests as RCTC may require to determine that the Nonconformance has been remedied.

(d) If DB Contractor has received Notice from RCTC under Section 9.4(a), failure of DB Contractor to provide timely Notice to RCTC in accordance with Section 9.4(c)(i) shall be treated as DB Contractor's acknowledgement that the Nonconformance exists and shall preclude DB Contractor from disputing the existence of such Nonconformance.

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(e) RCTC's right to remedy Nonconformances shall be in addition to all other rights and remedies provided under this Contract or by applicable Governmental Rules and shall not relieve DB Contractor of any of its responsibilities under this Contract.

9.4.2. Agreement to Accept Nonconformances

(a) If RCTC agrees (subject to Department's prior written consent) to accept any Nonconformance without requiring it to be fully remedied, DB Contractor shall pay RCTC an amount equal to the greater of: (i) the amount deemed appropriate by RCTC and Department to provide compensation for future revenue impacts and maintenance and/or other Costs relating to the Nonconformance; or (ii) 100% of DB Contractor's cost savings associated with its failure to perform the Work in accordance with Contract requirements.

(b) Without limiting Section 18.11.2, DB Contractor shall pay RCTC within thirty Days after DB Contractor's receipt of an invoice from RCTC identifying the amounts owing.

(c) DB Contractor acknowledges and agrees that RCTC and Department shall each have sole discretion regarding resolution and acceptance of Nonconformances and the amount payable in connection with such Work; provided, however, that the foregoing does not preclude DB Contractor from disputing whether or not a Nonconformance has occurred. Payment, reimbursement or deduction of the amounts owing to RCTC under this Section 9.4.2 shall be a condition precedent to the acceptance of the applicable Nonconformances.

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SECTION 10
ACCESS TO SITE; UTILITIES; ENVIRONMENTAL MITIGATION; HAZARDOUS MATERIALS; APPROVALS;

10.1. Access to Site

10.1.1. Access to RCTC-Provided Property

(a) Subject to Section 10.1.1(b), RCTC shall furnish:

(i) The RCTC-Provided Property by NTP Phase 2; and

(ii) The Utility Easements by the time(s) specified in the applicable Utility Agreement, in the case of Utility Easements (if any) RCTC is required to provide under any Utility Agreement.

(b) DB Contractor shall:

(i) Obtain and maintain encroachment permits and other Governmental Approvals and rights of entry to gain access to areas of RCTC-Provided Property within the jurisdictions of Local Agencies (excluding Department); and

(ii) Pay all fees and comply with all requirements of Governmental Approvals in connection with RCTC-Provided Property, including obtaining necessary approvals of plans and specifications (including Design Documentation).

(c) RCTC shall obtain encroachment permits to gain access to areas of RCTC-Provided Property within the jurisdiction of Department, and DB Contractor shall obtain and maintain any corresponding encroachment permit riders or rights of entry required to perform the Work as further set out in TP Section 1.1.4.

(d) The Department Cooperative Agreement provides certain terms and conditions relating to the encroachment permit process applicable to Existing Department ROW. DB Contractor shall remain informed of and comply with any access restrictions in any documents granting access to any Project ROW (including the Department Cooperative Agreement).

(e) Various agreements that RCTC has entered into, or will enter into, with respect to the I-15 Express Lanes provide, or will provide, that the TSP operator shall have access to the Project ROW for purposes of sporadic operations and maintenance activities. DB Contractor shall remain informed of and comply with any documents granting the TSP operator the right to access the Project ROW, subject to DB Contractor's right to additional time for completion and compensation in case of a Relief Event resulting from such access to the Planned ROW Limits taken by the TSP operator.

10.1.2. Additional Properties

(a) In addition to provision of access to the Planned ROW, RCTC will provide access to certain other parcels provided DB Contractor provides Notice and can demonstrate to RCTC's reasonable satisfaction (after consultation with Department), that: (i) the property is required for permanent improvements for the Project or for Relocations being constructed by the Utility Owners; (ii) acquisition of the property is otherwise consistent with applicable Governmental Rules and Governmental Approvals; and (iii) DB Contractor has complied with TP Section 9.4.2 ("**Additional Properties**"). RCTC has no obligation to acquire

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temporary interests in property but may agree to do so following receipt of request from DB Contractor.

(b) The process for acquisitions of any Additional Properties by RCTC is set out in TP Section 9.4.

(c) The process for scheduling provision of access in Section 10.1.1 shall apply to Additional Properties except that (i) RCTC shall provide DB Contractor with Notice of the minimum time necessary for provision of access upon its approval of the acquisition, and (ii) delay in acquisition is not considered an RCTC-Caused Delay, except to the extent that the delay was directly attributable to grossly negligent actions affirmatively taken by RCTC.

(d) Except as set out in Section 10.1.2(f), DB Contractor shall pay directly all Costs in connection with acquiring Additional Properties, including:

(i) The cost of acquisition services and document preparation;

(ii) The cost of condemnation proceedings required by RCTC and Department, including private attorneys' fees and expert witness fees, and all fees and expenses for exhibits, transcripts, photos and other documents and materials production;

(iii) The purchase prices, court awards or judgments in connection with the acquisition of all Additional Properties (to be paid by DB Contractor at the time of closing or final award, as applicable);

(iv) The cost of any applicable Governmental Approvals;

(v) Closing costs associated with parcel purchases;

(vi) Relocation assistance payments and costs;

(vii) The cost for separate property survey(s) in addition to the Planned ROW Limits survey(s); and

(viii) The cost of all claims for good will, severance damages or inverse condemnation in connection with the acquisition of the Additional Properties.

(e) All Costs described in Section 10.1.2(d) shall be determined in accordance with the California Relocation Assistance Law (Government Code section 7260 et seq.), the Uniform Act, and RCTC and Department policies. If RCTC incurs any such Costs on DB Contractor's behalf, RCTC may submit invoices for such Costs to DB Contractor, in which case DB Contractor shall pay the invoices prior to delinquency. If RCTC pays any such Costs on DB Contractor's behalf, and without limiting Section 18.11.2, DB Contractor shall reimburse RCTC within ten Business Days of RCTC's submittal to DB Contractor of an invoice for such RCTC Costs.

(f) Notwithstanding the foregoing DB Contractor is not responsible for costs of acquisition for any Utility Easement unless required because of a change to the Project design proposed by DB Contractor.

(g) Except as set out in Section 10.1.2(f), in the event that the acquisition of Additional Properties necessitates any Governmental Approvals, DB Contractor shall: (i) be solely responsible for the cost and schedule impact of any related review, analysis, assessment, approvals, permits and findings; (ii) be solely responsible for the risk that any Governmental

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Approvals are not (1) granted, issued, approved or obtained or (2) timely granted, issued, approved or obtained; and (iii) not be entitled to any increase in the Contract Price or extension of the Completion Deadlines as a result of any delay, inability or cost associated with the Governmental Approvals related to such Additional Properties.

(h) Except as expressly provided otherwise in this Contract, DB Contractor is not entitled to any increase in the Contract Price or any extension of a Completion Deadline in accordance with Section 21 or otherwise entitled to make a Claim as a result of (i) Site conditions associated with any Additional Properties (including those relating to Hazardous Materials, Differing Site Conditions or Utilities); or (ii) any delay, liability or cost associated with the acquisition of any Additional Properties.

(i) DB Contractor shall support any requests for acquisition of Additional Properties with such information as may be required by RCTC, including all information required by TP Section 9.4.2. In all cases, RCTC's obligation to provide such access is subject to the following conditions: (i) if requested by RCTC, DB Contractor's providing an analysis regarding alternative courses of action; (ii) RCTC's agreement (after consultation with Department) that the property acquisition is compliant with Governmental Rules and is in the best interest of the Project; (iii) DB Contractor's providing such evidence as RCTC may require to enable issuance of a determination of necessity; and (iv) if required, issuance of a determination of necessity by the Commission.

10.1.3. Acquisition of Temporary Interests by DB Contractor

(a) DB Contractor shall acquire all temporary interests in property (if any) that DB Contractor determines are necessary, desirable, or advisable to complete the Project, other than temporary interests included in RCTC-Provided Property. Temporary interests may include construction easements or rights to use property for borrow pits and storage, as well as any property needed for any temporary utility facilities being constructed by DB Contractor. DB Contractor shall pay the purchase price for all such property interests directly.

(b) If the property is within the limits of the RCTC-Provided Property or is intended to be used for permanent improvements, or if DB Contractor intends to request that RCTC acquire such property, DB Contractor shall not negotiate with the property owner(s), except in compliance with the California Relocation Assistance Law (Cal. Gov. Code section 7260 et seq.), the Uniform Act, and 23 CFR Part 710.

(c) Additional requirements regarding early access to properties subject to temporary rights or interests are provided in TP Section 9.

(d) RCTC has no obligations or responsibilities with respect to the acquisition, maintenance, or disposition of such temporary rights or interests or the condition of such rights or interests and is not obligated to use its powers of eminent domain in connection therewith.

(e) DB Contractor shall comply with all applicable Governmental Approvals and Governmental Rules in acquiring and maintaining or disposing of any such property rights or interests. DB Contractor shall cause the documentation of any such property interest to contain the grantor's express acknowledgment that RCTC has no liability or obligations with respect thereto.

(f) If a temporary interest in property is sought by DB Contractor for any property that is owned or otherwise possessed or occupied by a Person with whom RCTC has

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acquired or is acquiring RCTC-Provided Property or if DB Contractor requires use of any TCE beyond the applicable time specified:

(i) DB Contractor shall not attempt to secure such temporary interest;

(ii) RCTC shall, if such acquisition is, in RCTC's determination, consistent with Governmental Rules and Governmental Approvals, reasonably attempt to secure access through the applicable property owner;

(iii) RCTC makes no representations or guaranty that RCTC shall be able to secure such interests or access; and

(iv) DB Contractor shall be solely responsible for the cost and schedule impact of any acquisition, including any inability to acquire such interests.

10.1.4. Avoidance of Additional Permanent Acquisitions

DB Contractor shall use its best efforts to avoid additional permanent acquisitions. To the extent reasonably possible, DB Contractor shall use retaining walls or make other engineering adjustments as an alternative to acquiring Additional Properties.

10.1.5. Conveyance Documents

DB Contractor shall prepare all documents necessary to evidence any easements or conveyance of other real property interests relating to the Project to be granted by RCTC to Utility Owners and other Persons; except that RCTC shall prepare legal descriptions and grant documentation for any transfers of real property and/or interests therein by RCTC to Department.

10.1.6. Agreements with Governmental Entities

DB Contractor shall enter into any agreements with Governmental Entities or others, and obtain and maintain any Governmental Approvals from such Governmental Entities or others that are necessary to comply with the requirements of TP Section 6 or that otherwise apply to the Work, except for those items expressly described in this Section 10 or Section 11 as being the responsibility of RCTC.

10.2. Access to Wash Areas

DB Contractor shall not access the Wash Areas and surrounding areas until DB Contractor:

(a) Provides to RCTC, and receives RCTC's approval of, the Permit Submittal Packages for the Major Approvals described in TP Section 6.3.5.1;

(b) Provides other information to RCTC, and participates in meetings as requested by RCTC, in order for DB Contractor to obtain, in RCTC's name, the Major Approvals described in TP Section 6.3.5.1;

(c) Has completed required environmental training and has complied with all applicable environmental requirements; and

(d) Obtains the Major Approvals described in TP Section 6.3.5.1, and any other Governmental Approvals from Governmental Entities and/or other third parties, including the City of Corona encroachment permit and Riverside County Flood Control District permit, necessary

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for DB Contractor to comply with the requirements of TP Section 6, or that otherwise apply to the Work to be performed in the Wash Areas and surrounding areas.

10.3. Utility Relocations

10.3.1. Scope of DB Utility Work

(a) Sections 10.3 through 10.7 describe DB Contractor's responsibilities with respect to DB Utility Work, and how the risks associated with DB Utility Work are allocated between RCTC and DB Contractor. TP Section 7 further describes the scope of Work with respect to DB Utility Work.

(b) DB Contractor shall perform (and the scope of the DB Utility Work includes) all Relocations and Incidental Utility Work necessary to complete the Project, except Relocations under Section 10.3.3, and any other efforts expressly identified as "work by others" in the Utility Information or that this Section 10 or TP Section 7 specifically identifies as the responsibility of Utility Owners or RCTC, or otherwise specifically excludes from the DB Utility Work.

(c) The DB Utility Work includes all Work associated with Relocation of Utilities and Incidental Utility Work, including:

(i) The Work described in Sections 10.3 through 10.7 and TP Section 7;

(ii) Any Betterments added to the scope of the DB Utility Work in accordance with Section 10.5.1;

(iii) Any Work to be performed by DB Contractor in accordance with Section 10.1 with regard to acquisition of Utility Easements; and

(iv) Any efforts expressly identified as "work by others" (including Utility Owners and RCTC) in the Utility Maps or Utility Agreements that this Section 10 or TP Section 7 expressly identifies as the responsibility of DB Contractor.

(d) The DB Utility Work does not include:

(i) Drafting or negotiating Utility Agreements with Utility Owners (except that DB Contractor shall fully cooperate and provide assistance to RCTC with preparing and finalizing Utility Agreements and preparing and issuing any Notices to Owner, as specified in TP Section 7);

(ii) Except as set out in Section 10.3.1(c)(iv), any efforts expressly identified as "work by others" (including Utility Owners and RCTC) in the Utility Maps or Utility Agreements;

(iii) Billing for and collecting payments due from Utility Owners (except that DB Contractor shall fully cooperate with RCTC, assist in the preparation of estimates and invoices, and provide supporting documentation, as specified in Section 18.2 and in TP Section 7);

(iv) Reimbursing Utility Owners for costs they incur in connection with Relocations (except that this foregoing exclusion shall not limit DB Contractor's obligations to

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reimburse RCTC for certain payments to Utility Owners, to indemnify, defend and hold harmless RCTC and/or Utility Owners with respect to certain matters, and to repair damage to Utilities caused by any DB-Related Entity, all as specified in this Contract);

(v) Obtaining access to or rights or interests in property for the benefit of Utility Owners (except that DB Contractor shall perform any duties and bear any costs that are DB Contractor's responsibility in accordance with Section 10.1 and/or TP Section 9, and DB Contractor shall at all times accommodate work by, and cooperate with, Utility Owners in performing each party's obligations and exercising each party's rights under the applicable Utility Agreements); and

(vi) Relocations under Section 10.3.3.

(e) Relocations may be necessary upon discovery of the following conditions: (i) a physical conflict exists between the Project and a Utility (including their respective construction, operation, maintenance, or use); and/or (ii) a conflict exists between the Project, as designed, and a Utility based on the applicable Utility Standards, Governmental Approvals, and/or Governmental Rules (even though there is no physical conflict). The limits of Relocation of existing Utilities extend as far as necessary to accommodate or permit construction of the Project in accordance with the foregoing, whether inside or outside the Planned ROW Limits. DB Contractor shall ensure that all Relocations are compatible, interface properly, and do not conflict with the Project.

(f) Certain Utilities being Relocated are also being modified to provide service to the Project (i.e., they are "**New Utilities**"). This Section 10.3 and all other provisions of this Contract pertaining to Relocations apply to such New Utilities. Any New Utilities that do not also involve Relocation Work, however, are not subject to provisions in the Contract pertaining to Relocations. The scope of DB Contractor's responsibilities relating to the New Utilities is addressed in TP Sections 7.1.3, 15.3.3.1, and 19.3.6.

10.3.2. Agreements with Utility Owners

(a) If any Utilities are identified after the Setting Date as requiring Relocation, RCTC will prepare, negotiate and enter into additional Utility Agreements with the applicable Utility Owners setting out the details for the applicable Relocation(s).

(b) DB Contractor shall provide such assistance as RCTC shall reasonably require, as provided in TP Section 7 with respect to any subsequently entered Utility Agreement. DB Contractor shall not be a party to any Utility Agreement and shall have no authority to enter into Utility Agreements on RCTC's behalf.

(c) Subject only to DB Contactor's entitlement, if any, to a Change Order under Section 21.12, DB Contractor shall:

(i) Comply with the terms and conditions of all Utility Agreements; and

(ii) Timely perform DB Contractor's obligations under each Utility Agreement together with any of RCTC's obligations under each Utility Agreement that are delegated to DB Contractor under this Contract.

(d) If applicable, and in accordance with TP Section 7.2.4, RCTC shall issue FD Notices to Owner and Construction Notices to Owner for any Relocations to be performed

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by Utility Owners, except as otherwise provided in TP Section 7.2.6. DB Contractor shall not issue or negotiate FD Notices to Owner or Construction Notices to Owner but shall provide such assistance as RCTC shall reasonably require, including attendance at meetings, preparation of such designs, reports, documentation, and information as RCTC may require for RCTC's meetings with the Utility Owners, and preparation of exhibits.

10.3.3. Responsibility for Relocations

(a) For any known, unknown or misidentified Utility that requires Relocation, the corresponding Utility Owner will be responsible for design, construction and/or materials procurement, in accordance with TP Section 7.2.6 unless otherwise provided under the applicable Utility Agreement.

(b) For purposes of this Section 10.3.3 and TP Section 7.2.6, references to responsibility for design and construction of Relocations includes all tasks customarily associated with a Relocation; except that DB Contractor shall coordinate with Utility Owners as necessary in order to accomplish the Relocations in compliance with the requirements of this Contract.

10.3.4. Incidental Utility Work

(a) DB Contractor shall provide all designs for Incidental Utility Work it performs, unless a Utility Owner provides such designs under the applicable Utility Agreement.

(b) DB Contractor shall not be required to provide a credit or reimburse RCTC on account of any Incidental Utility Work performed by a Utility Owner, even if RCTC is required to reimburse the Utility Owner for such work.

10.3.5. Work Not Assigned to DB Contractor in a Utility Agreement

(a) RCTC may issue a Directive Letter or Change Order requiring DB Contractor to perform Relocation Work regardless of whether the Work is covered under a Utility Agreement, and regardless of the assignment of responsibility for such Work under the applicable Utility Agreement or this Contract. In such case, Relocation Work shall be treated as if a Utility Agreement has been executed that requires DB Contractor to perform the Work in question. If the Utility Owner objects to such direction to proceed, then Section 10.6 shall apply.

(b) DB Contractor shall ensure that the Project Schedule includes sufficient time for all required Relocations (without regard to whether a Relocation is performed by DB Contractor or by the affected Utility Owner or its contractors). Accordingly, any reallocation of responsibility for Relocation work between DB Contractor and a Utility Owner shall not entitle DB Contractor to any compensation, time extension or otherwise make any Claim under this Contract.

10.3.6. Bonds and Insurance Increase or Change for DB Utility Work

(a) Utility Owners whose Relocations are included in the DB Utility Work may, upon request, require DB Contractor to:

(i) Add the Utility Owner as an additional obligee to the Payment Bonds and Performance Bonds, to the extent of the amount of the applicable DB Utility Work; provided that the Payment Bonds and Performance Bonds continue to cover the full amounts required by RCTC, with no riders that reduce RCTC's potential of recovery; or

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(ii) Provide separate bonds satisfactory to the Utility Owners to cover such DB Utility Work.

(b) DB Contractor shall:

(i) Procure from and provide all information necessary for the bonds required under Section 10.3.6(a) to the surety(ies) providing such bonds;

(ii) Include the cost (or the allocable cost, as applicable) of any applicable bond premiums in all cost estimates it provides for DB Utility Work; and

(iii) Without limiting the requirements of Section 14, comply with all insurance requirements established in the applicable Utility Agreement(s). Such insurance shall be provided by naming the applicable Utility Owner as an additional insured on the insurance provided by DB Contractor and any Subcontractor in accordance with Section 14, to the extent it satisfies the requirements of the Utility Agreement(s).

10.4. Accuracy of RCTC-Supplied Information Concerning Existing Utilities

10.4.1. Main or Trunkline Utilities

RCTC's and DB Contractor's entitlements to Change Orders for certain inaccuracies in the Utility Information regarding Main or Trunkline Utilities are described in Section 21.12.

10.4.2. All Other Utilities

DB Contractor acknowledges that:

(a) Except as expressly provided in Section 21.12 with respect to Utility Relief Events, any information with respect to Utilities (including their existence, location, ownership, occupancy rights, type, material, status, usage or any other characteristic including the Proposed Dispositions for any Utilities or how the Proposed Dispositions will be accomplished) provided in the Utility Information, or elsewhere in the Reference Documents or this Contract, is subject to Section 10.4.2 of the Contract;

(b) The information with respect to Utilities described in Section 10.4.2(a) does not identify most Service Lines at the Site and may not identify all non-Service Line Utilities at the Site. During Phase 1, DB Contractor shall verify all information with respect to Utilities included in the Utility Information, and elsewhere in the Reference Documents or this Contract, and shall perform its own investigations as provided in TP Section 7.3.2; and

(c) DB Contractor is not entitled to any adjustment to the Contract Price (either up or down) or an extension of any Completion Deadlines on account of any inaccuracies in the Utility Information, other Reference Documents or this Contract, with respect to any Utility (including its existence, location, ownership, type, material, status, usage and/or any other characteristic), unless otherwise expressly allowed in accordance with Section 21.12 for a Utility Relief Event.

10.4.3. Acknowledgements and Waivers

(a) The Parties specifically intend to delegate to DB Contractor all responsibilities with respect to identification of Utilities, and to allocate to DB Contractor all risk of increased costs and time of the Work resulting from having to repair, remove, relocate, or Protect

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in Place any Utilities not identified or misidentified in the Utility Information, other Reference Documents, and this Contract, except as otherwise provided in Section 21.12 with respect to Utility Relief Events. DB Contractor acknowledges and agrees that the provisions of Section 21.12 satisfy RCTC's obligations in accordance with Government Code section 4215.

(b) DB Contractor acknowledges and agrees that:

(i) If the Parties' delegation to DB Contractor of the obligation described in Section 10.4.3(a) is deemed ineffective, RCTC shall be entitled to a credit against the Contract Price equal to the actual costs incurred by RCTC to cause performance of the obligations and satisfaction of the liabilities from which DB Contractor is thereby relieved; and

(ii) The acknowledgements, waivers and agreements in Section 10.4.3(a) extend to and include any rights that DB Contractor might otherwise claim under Chapters 11-4.3 and 11-2.4 of RCTC's ROW Policies and Procedures Manual.

10.4.4. DB Contractor's Failure to Timely and Accurately Identify Utilities

If any Utility potentially requiring Protection in Place or Relocation is not identified fully and accurately in the final Utility Strip Map and DB Contractor's Utility Conflict Matrix that DB Contractor submits to RCTC in accordance with Section 8.4.2(a), then DB Contractor shall (i) reimburse RCTC for the increase (if any) in the amount that RCTC owes to the Utility Owner for such Protection in Place or Relocation (including with respect to the acquisition of Utility Easements) that could have been avoided if the Utility had been fully and accurately identified (and the actual field conditions addressed) in the final Utility Strip Map; and (ii) DB Contractor shall also bear the cost and schedule impact of such Protection in Place or Relocation and shall not be entitled to any compensation, extension of time of otherwise make a Claim under this Contract.

10.4.5. Changes by DB Contractor

(a) For purposes of this Section 10.4.5, a Project design change during Phase 2 that impacts Relocations is a change in Project plans that requires Relocation of a Utility that was not listed on Utility Strip Map.

(b) DB Contractor acknowledges and agrees that:

(i) Through the design and construction of the Project, DB Contractor may have opportunities to reduce the costs of certain portions of the Work, which may increase the costs of certain other portions of the Work or of Relocation work to be performed by Utility Owners;

(ii) In considering such opportunities, DB Contractor shall consider the impact of Project design changes on Relocations with the overall goal of minimizing the necessity for Relocations to the extent practicable, in compliance with Section 10.7; and

(iii) Except for cost increases or decreases resulting from RCTC-Directed Changes in Project design affecting Relocation work during Phase 2, and notwithstanding any other contrary provision of this Contract, the following rules shall apply with respect to Project design changes during Phase 2 which either reduce the nature or extent of or eliminate any Relocation, or result in unanticipated Relocations or an increase in the nature, extent, or costs of anticipated Relocations:

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(1) DB Contractor is not entitled to extension of any Completion Deadline on account of delays resulting from any such Project design changes (including delays in acquisition of Utility Easements by RCTC or Utility Owners or delays in performing any Relocations);

(2) DB Contractor is not entitled to any increase in the Contract Price for any additional costs DB Contractor incurs as a result of such Project design changes (including additional costs of DB Utility Work, the costs of any additional Work on other aspects of the Project undertaken in order to facilitate the avoidance or minimization of Relocations, and increased costs resulting from any Site conditions associated with Utility Easements made necessary by such design changes);

(3) If RCTC incurs any additional costs as a result of such design changes (including any increases in reimbursement for Utility Easement acquisition costs or other amounts owed by RCTC to Utility Owners, e.g. for work which is unusable or which must be redone), then without limiting Section 18.11.2, DB Contractor shall reimburse RCTC for such costs within ten days after receipt of RCTC's invoice for such work; and

(4) RCTC is not entitled to a credit on account of reductions in the Contract Price due to any such avoided or minimized Relocations.

(c) This Section 10.4.5 shall not apply to any changes in design made to accommodate any change in Utility Standards or Change in Law.

10.5. Utility Enhancements

10.5.1. Betterments

Betterments shall be addressed as provided in this Section 10.5.1 and in TP Section 7.2.7.3.

(a) Notwithstanding any other provision of this Section 10.5.1, DB Contractor cannot claim a Betterment for any work initially included in the Work as described in the Contract, including any Utility Agreement.

(b) Any Utility Owner may request that RCTC permit DB Contractor to perform Betterments as part of the DB Utility Work, at the Utility Owner's expense. RCTC may, in its sole discretion, approve or deny a Utility Owner's request for a Betterment. DB Contractor shall provide RCTC with such information, analyses and certificates as may be requested by RCTC in connection with the possible addition of a Betterment to the DB Utility Work.

(c) If RCTC approves any such Betterment request, DB Contractor shall perform such work, with the right to receive additional payment and, if allowed in accordance with Section 10.5.1(e), an extension of any affected Completion Deadline. Work performed in accordance with such Betterment request shall be performed on a time and materials basis in accordance with Section 21.11 unless RCTC, the Utility Owner and DB Contractor agree upon a lump sum price or other pricing method for such additional Betterment work.

(d) A Betterment approved by RCTC will be added to the scope of the Work by execution of an agreement between RCTC and the Utility Owner providing for performance of such work as a Betterment. In such event, RCTC agrees to issue a Change Order increasing the Contract Price on account of any Betterment added to the Work in accordance with this Section 10.5.1. The amount of any such Change Order shall be a direct pass-through of the price

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determined in accordance with Section 10.5.1(c) as set forth in the applicable agreement between RCTC and the Utility Owner (with no additional mark-ups, profit or overhead including any DB Contractor Markup) or, if no such price has been negotiated, an amount determined in accordance with Section 21.11. DB Contractor shall not be entitled to any compensation, time extension or any other Claim for a Betterment, unless the work in question (i) has been approved by RCTC (including the amount of any compensation and extent of any time extension) and identified as a Betterment in the applicable agreement, and (ii) was not initially included in the Work. DB Contractor shall not accept any payment directly from the Utility Owner for any Betterment initially included in or added to the Work as of the Phase 2 Amendment Effective Date. Any change in the scope of Work in accordance with this Section 10.5.1 shall not be considered an RCTC-Directed Change.

(e) If the addition of an approved Betterment to the Work causes delay to a Critical Path, then DB Contractor shall be entitled to an extension of any affected Completion Deadline, but only if DB Contractor complies with the requirements stated in this Section 10.5.1(e) and Section 21. If DB Contractor anticipates that a proposed Betterment would cause delay to a Critical Path, DB Contractor shall submit a DB Contractor Change Request to RCTC in accordance with Section 21.5.1; provided, however, that such DB Contractor Change Request shall be delivered to RCTC concurrently with DB Contractor's submittal to RCTC of Utility Plans providing for such Betterment (in lieu of the deadline specified for delivery of a DB Contractor Change Request in Section 21.5.1(a)). If DB Contractor delivers to RCTC more than one version of Utility Plans providing for such a Betterment, DB Contractor shall include a DB Contractor Change Request with each version. Notwithstanding any contrary provision of the Contract, if DB Contractor fails to timely provide a Notice required by this Section 10.5.1(e), DB Contractor shall be deemed to have irrevocably waived and forfeited any Claim or right to a time extension or additional compensation, and shall be precluded from any relief on account of any delay caused by such Betterment, regardless of (a) any contrary provision of this Contract, (b) Actual Knowledge on the part of RCTC and (c) any alleged lack of prejudice to RCTC from late notice.

(f) If DB Contractor's Work with regard to any Betterment previously added to the Work (in accordance with this Section 10.5.1) is reduced or eliminated, then RCTC shall be entitled to a deductive Change Order equal to the full amount added to the Contract Price in accordance with Section 10.5.1(d) if an added Betterment is being deleted entirely; otherwise, RCTC shall be entitled to a deductive Change Order determined in accordance with Section 21.10.4.

(g) DB Contractor shall promptly provide Notice to RCTC of any requests or requirements by Utility Owners that DB Contractor considers to be Betterments and shall keep RCTC informed as to the status of discussions with Utility Owners concerning such requests and requirements. If DB Contractor and the Utility Owner disagree as to whether a particular Utility Owner request or requirement is a Betterment, DB Contractor shall provide Notice to RCTC and the provisions of this Section 10.5 shall apply.

(h) Except as otherwise provided in this Section 10.5.1, any Change Order requested by DB Contractor to extend a Completion Deadline or increase the Contract Price on account of a Betterment shall be addressed in accordance with the requirements and procedures set forth in Section 21.

(i) Except as otherwise provided in this Section 10 or in TP Section 7, all the terms and conditions of the Contract which apply to the DB Contractor Utility Work shall apply to any Betterment initially included in the Work or added to the Work in accordance with this Section 10.5.1.

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10.5.2. Utility Owner Projects

(a) If requested by a Utility Owner, DB Contractor may design and/or construct any Utility Owner Project meeting the requirements of Section 10.5.2(b); provided, however, that DB Contractor shall perform any such work in accordance with a separate contract between DB Contractor and the Utility Owner, outside of the Contract and the Work, and without any right to a Change Order, relief or impact on any Completion Deadline or on the Contract Price.

(b) DB Contractor shall not proceed with any Utility Owner Project that is incompatible with the Project or cannot be performed within the constraints of the applicable Governmental Rules, the Governmental Approvals and this Contract, including the Completion Deadlines and the Contract Price, in each case, as determined by RCTC prior to commencement of the Utility Owner Project, in its sole discretion. DB Contractor shall provide RCTC with such information, analyses and certificates as RCTC may request in order to determine compliance with this Section 10.5.2.

10.6. Failure of Utility Owners to Cooperate

10.6.1. DB Contractor shall make diligent efforts to obtain the cooperation of each Utility Owner as necessary for the Project.

10.6.2. DB Contractor shall provide Notice to RCTC immediately if:

(a) DB Contractor reasonably believes for any reason that any Utility Owner would not undertake or permit a Relocation in a manner consistent with the timely completion of the Project or in accordance with the applicable Utility Agreement, Governmental Rules, the Governmental Approvals, or this Contract;

(b) DB Contractor becomes aware that a Utility Owner is not cooperating in providing needed work, reviews, comments, or approvals; or

(c) Any other dispute arises between DB Contractor and any Utility Owner with respect to the Project, including any dispute as to whether a particular Utility Owner request or requirement is a Betterment.

10.6.3. After giving Notice in accordance with Section 10.6.2, DB Contractor shall:

(a) Continue to diligently pursue the Utility Owner's cooperation or to otherwise resolve the dispute, and may request RCTC's assistance for such purposes;

(b) Include in any request for assistance evidence satisfactory to RCTC showing that DB Contractor has made diligent efforts to obtain the Utility Owner's cooperation or to otherwise resolve the dispute, but that such efforts have not succeeded; and

(c) Provide RCTC with such evidence and information as RCTC requests regarding the Utility Owner's failure to cooperate and the effect of any resulting delay on the Project Schedule.

10.6.4. Following RCTC's receipt of satisfactory evidence and information under Section 10.6.3(c), RCTC shall take such reasonable steps as DB Contractor may request to obtain the cooperation of the Utility Owner or resolve the dispute and DB Contractor shall comply with Section 11.2.1(a)(iii); except that

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RCTC is not obligated to take legal action against an uncooperative Utility Owner unless RCTC elects to do so in its sole discretion.

10.6.5. If a Utility Owner fails to complete work for which it is responsible on or before the deadline established in the applicable Utility Agreement(s), or if RCTC reasonably determines that the Utility Owner will be unable to timely complete such work, then RCTC may, if permitted by applicable Governmental Rules or the applicable Utility Agreement(s), terminate the Utility Owner's performance of such work and either direct DB Contractor to perform such work or cause it to be performed by another contractor. If RCTC directs DB Contractor to perform work in accordance with this Section 10.6.5, then the provisions of Section 10.3.5 shall apply.

10.6.6. Monitoring and Notification

DB Contractor shall verify progress of each Utility Owner's work and provide Notice to RCTC when DB Contractor believes that any Utility Owner will not meet a deadline determined in accordance with Section 10.6.5. DB Contractor shall provide Notice to RCTC within two Business Days after discovery of such potential delay.

10.7. Avoiding Relocations and Minimizing RCTC Costs

10.7.1. DB Contractor shall use its best efforts to minimize costs to Utility Owners that will be subject to reimbursement by RCTC (provided that DB Contractor has Actual Knowledge of RCTC's reimbursement obligation or has been advised of such reimbursement obligation, whether by receipt of Utility Agreements providing for same, or by other notice from RCTC), to the extent practical and allowable in accordance with this Contract.

10.7.2. Subject to Section 10.7.1, DB Contractor shall consider the location of Utilities and the potential impact of Relocations in developing and finalizing the design of the Project, with the goal of minimizing Relocations to the extent practical and allowable in accordance with this Contract.

10.7.3. DB Contractor shall reimburse RCTC for any costs RCTC incurs as a result of DB Contractor's failure to comply with the requirements of this Section 10.7 (including with respect to the acquisition of Utility Easements). Without limiting the generality of the foregoing, DB Contractor shall reimburse RCTC for any payments RCTC makes to Utility Owners in reimbursement for Relocations (whether temporary or permanent) not necessary for the Project but undertaken merely for DB Contractor's convenience or as a result of a Project design change. Without limiting Section 18.11.2, all reimbursement amounts required in accordance with this Section 10.7 (plus an administrative charge equal to 10% of the amount) shall be due within ten days after DB Contractor receives RCTC's request for reimbursement.

10.7.4. DB Contractor shall use best efforts to avoid multiple Relocations or Protections in Place of the same Utility, whether by the Utility Owner or by DB Contractor. Accordingly, after a Utility has been Relocated or Protected in Place once in order to accommodate the Project, DB Contractor shall be responsible for all costs incurred by any of DB Contractor, the Utility Owner or RCTC in order to subsequently Relocate or Protect in Place such Utility to accommodate the Project. If the Utility Owner performs such subsequent

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Relocation or Protection in Place at RCTC's expense, then DB Contractor shall reimburse RCTC for all amounts paid by RCTC to such Utility Owner in reimbursement for such subsequent Relocation or Protection in Place. If DB Contractor performs such subsequent Relocation or Protection in Place, then DB Contractor shall not receive any extension of any Completion Deadline or increase in the Contract Price on account of the performance of such subsequent Relocation or Protection in Place.

10.7.5. DB Contractor shall provide documentation satisfactory to RCTC showing that the required analysis was performed, and an appropriate determination made regarding the need for any Relocation and shall also bear the burden of proving that the amount of any additional costs or time incurred by DB Contractor are both necessary and reasonable.

10.7.6. Coordination Costs

DB Contractor is not entitled to any increase in the Contract Price for any costs of coordinating with Utility Owners.

10.7.7. Cost Liability; Reimbursement by Utility Owners

DB Contractor may not collect reimbursement from Utility Owners for DB Utility Work. Subject to DB Contractor's right to obtain an increase in the Contract Price for certain Work in accordance with this Section 10, all DB Utility Work is included in the Contract Price, regardless of whether RCTC or the Utility Owner has Cost Liability for such DB Utility Work. Accordingly, the determination of Cost Liability for a Relocation (as between the Utility Owner and RCTC), and/or RCTC's collection of reimbursement from any Utility Owner, shall not constitute grounds for any change in the Contract Price (either up or down) or extension of time.

10.7.8. Voluntary Action by DB Contractor

If DB Contractor elects to make payments to Utility Owners or to undertake any other efforts which are not required by the terms of this Contract, DB Contractor is not entitled to any compensation, time extension or any other Claim unless DB Contractor has received a Directive Letter or Change Order to do so. DB Contractor shall promptly provide Notice RCTC of the terms of any such arrangements and provide RCTC with copies of all related correspondence and agreements.

10.7.9. RCTC's Utility Easement Acquisition Costs

If, due to a circumstance entitling DB Contractor to a Change Order for increased costs in accordance with any of Sections 10.3 through 10.7, or Section 21, RCTC incurs additional costs in acquisition of a Utility Easement which DB Contractor is otherwise required to reimburse in accordance with Section 10.1.2(d), then DB Contractor is not required to reimburse RCTC for such additional costs, notwithstanding the provisions of Section 10.1.2(d).

10.8. Process to Follow Upon Discovery of Certain Site Conditions

10.8.1. Notification to RCTC

(a) If DB Contractor discovers or becomes aware of within the Site (1) any material that DB Contractor believes may contain Hazardous Materials required to be removed or treated in accordance with this Contract or applicable Governmental Rules, (2) any Differing Site

Conditions, or (3) any other protected resources that may affect the Work, DB Contractor shall immediately:

(i) Notify RCTC by telephone or in person, to be followed immediately by Notice, with a copy of the Notice provided directly to Department (if it relates to Hazardous Materials); and

(ii) Except where DB Contractor is required to take immediate action under this Contract or applicable Governmental Rules, stop Work in and secure the area unless the materials are Known or Suspected Hazardous Materials in which case Section 10.9 will apply.

(b) DB Contractor's Notice under Section 10.8.1(a)(i) shall:

(i) Specify the nature of the discovery, including, if possible, whether the potential Hazardous Material is HM-1 or HM-2;

(ii) Specify whether the Hazardous Material is located within Existing Department ROW; and

(iii) Advise RCTC of any obligation to notify Governmental Entities under applicable Governmental Rules and Governmental Approvals.

(c) Except where DB Contractor is required to take immediate action under this Contract or applicable Governmental Rules, RCTC and Department shall have three Business Days after RCTC receives Notice to inspect the area and consult with DB Contractor about the recommended approach before any other action is taken that would inhibit RCTC's or Department's ability to ascertain the nature and extent of the discovery.

10.8.2. RCTC Response

(a) Upon receipt of Notice under Section 10.8.1(a)(i), RCTC will:

(i) View the location and conduct such further investigation as RCTC deems appropriate; and

(ii) Use reasonable efforts to provide Notice to DB Contractor within three Business Days of receiving Notice under Section 10.8.1(a)(i) whether Work should be resumed, whether further investigation is required, whether additional action is required to be undertaken by DB Contractor, or whether in RCTC's opinion the situation falls within the scope of Section 10.9.3.

(b) If Hazardous Materials or Contaminated Groundwater is involved, RCTC's Notice under Section 10.8.2(a)(ii) shall describe the type of remediation measures, if any, that DB Contractor is to undertake with respect to such Hazardous Materials or Contaminated Groundwater.

(c) If any Governmental Approval or this Contract specifies a procedure to be followed that differs from the procedure in this Section 10.8.1, DB Contractor shall follow the procedure in the Governmental Approval or this Contract in lieu of the procedure in Section 10.8.1.

(d) RCTC may require DB Contractor to recommence Work in the area at any time, even though an investigation may still be ongoing. DB Contractor shall promptly

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recommence Work in the area upon Notice from RCTC to do so. Upon recommencing Work, DB Contractor shall follow all applicable procedures contained in this Contract and all other Governmental Rules with respect to such Work, consistent with RCTC's determination or preliminary determination regarding the nature of the material or condition and the basis upon which DB Contractor may recommence Work.

10.9. Hazardous Materials Management

10.9.1. Procedures and Compensation for Hazardous Materials Management

(a) Except for Hazardous Materials Management with respect to HM-1 undertaken by Department under Section 10.9.3, DB Contractor shall test, manage, treat, handle, store, remediate, remove, transport (where applicable), document and dispose of all Hazardous Materials, including Contaminated Groundwater, and perform all other aspects of Hazardous Materials Management as appropriate, in accordance with Governmental Rules, Governmental Approvals, the approved plans required to be provided under TP Section 6.3, and all provisions of this Contract.

(b) Where the discovery relates to quantities of Hazardous Materials that trigger any reporting, investigation, remediation, other response action requirements under any Environmental Law not covered by Section 10.9.3, develop and obtain RCTC's approval of a plan to undertake Hazardous Materials Management, which plan shall provide for reasonable steps, including design modifications and/or construction techniques, to avoid excavation, dewatering or other active, intrusive management in areas where Hazardous Materials are encountered.

(c) Where excavation or dewatering is unavoidable, DB Contractor shall use appropriately trained personnel and shall select the most cost-effective approach to Hazardous Materials Management, unless otherwise directed by RCTC. Wherever feasible and consistent with applicable Governmental Rules, contaminated soil and groundwater shall not be disposed off-Site.

(d) DB Contractor shall: (i) comply with all Governmental Rules and Governmental Approvals applicable to Hazardous Materials brought onto the Site by any DB-Related Entity; (ii) test, contain, store, manage, transport and dispose of all such Hazardous Materials in accordance with this Contract and all Governmental Rules and Governmental Approvals; and (iii) be responsible and liable for, and pay all Losses arising in connection with, such Hazardous Materials.

10.9.2. Hazardous Materials Generator

(a) Subject to Section 10.9.2(b), as between DB Contractor and RCTC, RCTC shall be considered the generator and assume generator responsibility for (i) existing Hazardous Materials located within the RCTC-Provided Property as of the date of issuance of NTP Phase 1; and (ii) any spill of Hazardous Material by a third party that falls within clause (iv)(A) of the definition of Relief Event.

(b) Section 10.9.2(a) does not alter or modify DB Contractor's obligation to undertake all Hazardous Materials Management, specifically including the hazardous waste management responsibilities found at 40 CFR Part 261, but excluding Hazardous Materials Management undertaken by Department under Section 10.9.3. DB Contractor may list RCTC as the "generator" under applicable Governmental Rules of materials covered under Section 10.9.2(a) on all manifests and other waste tracking records.

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(c) DB Contractor shall propose to RCTC a licensed destination facility to which existing, or third party-generated Hazardous Materials will be transported. RCTC shall exercise reasonable discretion regarding selection of such destination facility(ies).

(d) This Section 10.9.2 does not preclude or limit any rights or remedies that RCTC may have against any Governmental Entity or other third parties, including prior owners, lessees, licensees and occupants of properties on or under which Hazardous Materials exist under Sections 10.9.2(a)(i) or 10.9.2(a)(ii). Notwithstanding the foregoing, DB Contractor (and not RCTC) shall be considered the generator and assume generator responsibility for performing the obligations and all Costs associated with any Release(s) of Hazardous Materials for which DB Contractor is responsible under Section 27.1.1(g).

10.9.3. HM-1 in Existing Department ROW

(a) In accordance with the terms of the Department Cooperative Agreement, Department is responsible for Hazardous Materials Management of HM-1 discovered within the Existing Department ROW excluding any costs of testing to determine whether such material is HM-1 which shall be borne by DB Contractor under this Contract. If HM-1 is discovered within the Existing Department ROW, Department may either (i) undertake the Hazardous Materials Management with Department forces or contractors or (ii) delegate the Hazardous Materials Management investigation work to RCTC, to be undertaken by DB Contractor in which case Section 10.8.2 will apply as if RCTC had received a Notice from DB Contractor under Section 10.8.1(a)(i).

(b) Upon receipt of the Notice under Section 10.8.1(a)(i), Department or its representative has three Business Days to investigate and commence Hazardous Materials Management of any HM-1 located within the Existing Department ROW. Upon commencement of the applicable Hazardous Materials Management, Department has an additional seven days to complete such Hazardous Materials Management.

(c) During the period of Department's investigation and Hazardous Materials Management of any HM-1 discovered within the Existing Department ROW, DB Contractor shall fully cooperate with RCTC to work around and re-sequence and redeploy around the area, including rescheduling Work so as to avoid any delay to the overall Project.

10.9.4. Environmental Approvals Relating to Hazardous Materials

DB Contractor shall obtain, maintain and comply with all Governmental Approvals relating to Hazardous Materials Management performed by DB Contractor, including federal and State surface water and groundwater discharge permits, permits for recycling or reuse of Hazardous Materials, and Governmental Approvals governing the preparation of waste profiles, waste manifests and bills of lading. DB Contractor shall coordinate with RCTC on obtaining appropriate signatures.

10.9.5. Public Contract Code Section 7104

DB Contractor acknowledges and agrees that, as a result of its agreement to undertake the risk of and responsibility for differences in site conditions from those which may have been anticipated by DB Contractor, and except to the extent that a Change Order is allowed under Section 20, information regarding site conditions included in the Technical Provisions, and Reference Documents (including any information, reports, or studies about site conditions, geotechnical conditions, Utilities or structure and bridge design, and any interpretations,

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extrapolations, analyses and recommendations contained in the Reference Documents) shall not be considered "indicated" therein as such term is used in Public Contract Code section 7104.

To the maximum extent permitted by law, DB Contractor knowingly, unconditionally, irrevocably and specifically waives each and every right and benefit of Public Contract Code section 7104 to the extent that it may be inconsistent with any provision of this Contract, including the provisions in Section 20. DB Contractor acknowledges and agrees that this waiver and the risk allocations in this Contract are material consideration for RCTC to award this Contract to DB Contractor and to enter into this Contract. The foregoing shall in no way affect DB Contractor's rights to an increase in the Contract Price and/or extension of a Completion Deadline as and to the extent provided in Section 21.

10.10. Environmental Review, Mitigation, and Approval Requirements

10.10.1. Performance of Mitigation Measures

(a) DB Contractor shall:

(i) Perform all environmental mitigation measures (which term shall be deemed to include all requirements of the Governmental Approvals which Section 11 provides are DB Contractor's responsibility, regardless of whether such requirements would be considered to fall within a strict definition of the term) for the Project, excluding only those which are expressly specified as RCTC's responsibility in TP Attachment 6-1 and this Section 10.10; and

(ii) Monitor the progress of performance of environmental mitigation measures and provide periodic reports to RCTC as required by the Environmental Management Plan, the requirements in TP Attachment 6-1 that are specified as being the responsibility of DB Contractor, and TP Section 6.

(b) DB Contractor acknowledges and agrees that the Environmental Management Plan may be updated from time to time to account for any revisions in mitigation requirements. Whenever a New Approval is obtained which changes the existing environmental mitigation requirements or adds new environmental mitigation requirements, the Environmental Management Plan will be revised to include such amendments or new requirements, and DB Contractor shall comply with the revised plan from and after the date it receives the revised plan.

(c) No Change Order shall be allowed in connection with any update or revision to the Environmental Management Plan except that (a) Change Orders shall be issued for additional Work resulting from New Approvals which are RCTC's responsibility as specified in Section 11.2.3(a), and (b) if DB Contractor believes that any revision represents an RCTC-Directed Change, it may seek a Change Order on that basis in accordance with the requirements of, and subject to the limitations in Section 19 and Section 21.

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SECTION 11
GOVERNMENTAL APPROVALS

11.1. CEQA and NEPA: Environmental Review Process and Environmental Compliance

RCTC will obtain the NEPA/CEQA Approval by the Effective Date.

11.2. Approvals

11.2.1. Governmental Approvals and Third Party Agreements

(a) DB Contractor shall:

(i) Obtain and pay the cost of obtaining all Governmental Approvals required in connection with the Project (except to the extent RCTC has expressly agreed to be responsible under Section 10.10 or with respect to RCTC-Provided Approvals);

(ii) Comply with and maintain in full force and effect all Governmental Approvals (including subsequent re-evaluations, re-validations, and modifications of the NEPA/CEQA Approval and the Re-validation), except to the extent that this Contract expressly assigns responsibility for performance of such actions to another Person;

(iii) Provide such assistance as is reasonably requested by RCTC in dealing with any Governmental Entity or Utility Owner and/or in prosecuting and defending lawsuits in any and all matters relating to the Project. Such cooperation shall include DB Contractor's staff and consultants acting as witnesses in such lawsuits and proceedings and providing testimony, information, reports, graphs, photos, plans, renderings, and similar materials to RCTC's counsel, executing declarations, attending meetings and hearings. RCTC shall remit to DB Contractor any amounts collected on DB Contractor's behalf as a result of any such action or proceeding. This provision is not intended to require DB Contractor to provide legal services for the benefit of RCTC and any assistance provided by RCTC shall not relieve DB Contractor of its sole and primary responsibility for the satisfactory compliance with its obligations under this Contract;

(iv) Prior to submitting to a Governmental Entity any application for a Governmental Approval (or any proposed modification, renewal, extension or waiver of a Governmental Approval or provision thereof), submit the same, together with any supporting environmental or technical studies, data and analyses, to RCTC. RCTC shall approve any application for a proposed modification, renewal, extension or waiver of an RCTC-Provided Approval. All other applications for Governmental Approvals shall be subject to RCTC's review and comment; and

(v) Promptly provide RCTC and Department with copies of all Governmental Approvals and any other permit, license, consent, authorization, approval or similar document issued to DB Contractor by, or agreement entered into between DB Contractor and any Governmental Entity, Utility Owner, property owner or other third party relating to the Project.

(b) If DB Contractor wishes to pursue Additional Properties, or any other Deviation from any Governmental Approvals, including RCTC-Provided Approvals, DB Contractor shall first comply with, and obtain and maintain, as applicable, any consent, approval or waiver required in accordance with, then-existing agreements between RCTC and other Governmental Entities.

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(c) Upon DB Contractor's request, RCTC will reasonably cooperate with DB Contractor in providing DB Contractor with copies of the applicable agreements between RCTC and other Governmental Entities.

(d) If any Governmental Approvals required to be obtained by DB Contractor (including Major Approvals) must formally be issued in the name of RCTC, DB Contractor shall undertake all efforts to obtain and maintain such approvals subject to RCTC's reasonable cooperation with DB Contractor, at DB Contractor's expense (except in connection with Governmental Approvals required solely due to an RCTC-Directed Change), including execution and delivery of appropriate applications and other documentation in form approved by RCTC. DB Contractor shall assist RCTC in obtaining any Governmental Approvals which RCTC may be obligated to obtain, including providing information requested by RCTC and participating in meetings regarding such approvals.

(e) In the event that RCTC, Department or FHWA must act as the lead agency and directly coordinate with a Governmental Entity in connection with obtaining Governmental Approvals which are the responsibility of DB Contractor, DB Contractor shall provide all necessary support to facilitate the approval, mitigation or compliance process. Such support shall include conducting necessary field investigations, surveys, and preparation of any required reports, documents and applications.

(f) DB Contractor shall not enter into any agreement with any Governmental Entity, Utility Owner, property owner or other third party having regulatory jurisdiction over any aspect of the Project or having any property interest affected by the Project that in any way purports to obligate RCTC or Department, or states or implies that RCTC or Department has an obligation, to the third party to carry out any installation, design, construction, maintenance, repair, operation, control, supervision, regulation or other activity after the expiration or termination of this Contract, unless RCTC otherwise approves such agreement by Notice, in its sole discretion. DB Contractor has no power or authority to act as an agent or representative of RCTC or Department, or to enter into any such agreement with a third party in the name of, or on behalf of, RCTC or Department.

(g) DB Contractor shall reimburse RCTC for RCTC's costs of technical studies and documentation, including biological and cultural resource studies, prepared in connection with any such environmental re-evaluations, re-validations, and new or modified Environmental Approvals, other Governmental Approvals and any other approvals, authorizations and consents required for the Work.

11.2.2. RCTC-Provided Approvals

(a) RCTC-Provided Approvals, as obtained or procured are included in the Reference Documents, but do not form part of this Contract. DB Contractor shall comply with applicable requirements and conditions of those RCTC-Provided Approvals in TP Sections 2.5.2 and 6.3 and TP Attachment 6-1.

(b) Where RCTC or Department acts as a regulatory authority or permitting entity:

(i) Section 5.2.2(e) does not apply, and nothing in this context shall be considered an RCTC-Caused Delay; and

(ii) RCTC or Department is not obligated to: (A) exercise its legal rights in order to avoid or eliminate the requirement to obtain any Governmental Approvals; or (B)

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automatically grant Governmental Approvals for which it is the authorizing entity and will apply its usual procedures and criteria in considering applications from DB Contractor for such Governmental Approvals.

11.2.3. New Approvals

(a) New Approvals To Be Obtained at RCTC's Expense

(i) RCTC shall obtain any New Approvals necessitated by an RCTC-Directed Change or Force Majeure Event. DB Contractor shall provide support services to RCTC with respect to obtaining any such New Approval.

(ii) Any Change Order covering a New Approval necessitated by an RCTC-Directed Change or Force Majeure Event shall include compensation to DB Contractor for any material changes in the Work (including performance of material additional mitigation measures but excluding performance of such support services) resulting from such New Approvals, as well as any time extension necessitated by obtaining such New Approvals, subject to the limitations contained in Section 19 and Section 21.

(b) Other Governmental Approvals To Be Obtained at DB Contractor's Expense:

(i) Subject to Sections 11.2.3(b)(ii) and 11.2.3(b)(iii), if any Governmental Approval (including any New Approval) becomes necessary for any reason other than those specified in Section 11.2.3(a), (including if DB Contractor chooses to add or select any ground or resource disturbing features such as material (gravel, borrow, disposal or re-use) sites, equipment staging sites, office sites, water lines, holding ponds, Hazardous Materials and/or non-Hazardous Materials staging areas, etc.,) DB Contractor shall: (1) be solely responsible for the risk that any such Governmental Approvals are not (or are not timely) granted, issued, approved or obtained as well as for any litigation arising in connection therewith; and (2) not be entitled to any increase in the Contract Price or extension of the Completion Deadlines as a result of any delay or cost associated with such Governmental Approvals.

(ii) RCTC shall be the implementing agency for any New Approvals under applicable Governmental Rules with the exception of the California Water Resources Control Board Clean Water Act - section 402 Permit.

(iii) If DB Contractor wishes to adopt any design or construction approach that would require a New Approval, DB Contractor shall consult with RCTC (and with Department if the RCTC-Provided Approval is in Department's name). DB Contractor shall not implement any such approach unless concurrence of RCTC (and Department) has first been obtained and arrangements have been made to reimburse RCTC and Department for the costs of the proposed change.

11.2.4. Major Approvals

DB Contractor shall obtain and maintain all Major Approvals including complying with TP Section 6.3.5.1, even though such approvals must formally be issued in RCTC's name.

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SECTION 12
SUBCONTRACTORS AND LABOR

12.1. Subcontracts

12.1.1. General

(a) DB Contractor shall:

(i) Engage and manage each Subcontract;

(ii) Be responsible for:

(1) All Work performed by its Subcontractors including proper supervision and coordination of the Work performed by its Subcontractors so as to ensure that all Work is in accordance with this Contract;

(2) The actions, errors, omissions, negligence, willful misconduct, or breach of applicable Governmental Rules or contract by any DB-Related Entity or Subcontractor, as though DB Contractor directly employed all such Persons; and

(3) For Subcontracts for Construction Work with a value exceeding one-half of 1 percent (0.5%) of the Contract Price allocable to construction work, comply with the requirements set forth in the California Public Contract Code Section 22180.6(b).

(b) RCTC may reasonably object to DB Contractor's selection of any Subcontractor.

(c) DB Contractor may not materially amend or terminate any Major Subcontract or amend the scope of a Listed Subcontractor without the prior written consent of RCTC, in its sole discretion except that DB Contractor may terminate a Major Subcontract in the event of material default by the Major Subcontractor, provided that DB Contractor has provided Notice of such intended termination to RCTC in advance of the termination. Where an amendment includes a material addition to the scope of work under a Subcontract with a Listed Subcontractor, RCTC may require such work to be the subject of a new procurement by DB Contractor under Section 12.1.2. RCTC shall respond to such Notice within 10 Business Days.

(d) No Subcontractor performing Construction Work may start any Work until after RCTC receives a copy of its Subcontract, a copy of such Subcontractor's valid California Contractor License, and any insurance documents required under Section 14.

12.1.2. Procurement of New Subcontracts

The following procedures shall apply to procurement of Subcontracts under this Contract by DB Contractor for construction Work (including Subcontractors for fabrication and installation of a portion of the Work), excluding Subcontracts with Listed Subcontractors and Affiliates.

(a) DB Contractor shall (i) provide public notice of the availability of work to be subcontracted in accordance with the publication requirements applicable to the competitive bidding process of RCTC and the Subcontractor Procurement Plan; and (ii) provide a fixed date and time on which the subcontracted work will be awarded.

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(b) DB Contractor shall use a competitive process that complies with the provisions of Public Contract Code section 6826. Prior to soliciting any proposals or bids for Subcontracts, DB Contractor shall submit to RCTC for its review and approval a Subcontractor Procurement Plan including a reasonable procedure for the conduct of the procurement and approval process applicable to Subcontracts.

(c) DB Contractor shall promptly provide Notice to RCTC identifying each Subcontractor selected and, upon RCTC's request, provide the solicitation and evaluation materials and results.

(d) If any Subcontractor is an Affiliate, DB Contractor shall require such Affiliate to follow the procedures under this Section 12.1.2 in connection with lower tier Subcontracts for construction Work and shall comply with Section 12.1.5.

12.1.3. Substitution of Subcontractors

(a) DB Contractor may not make any substitution of any Listed Subcontractor or Subcontractor selected in accordance with Section 12.1.2 except in accordance with the provisions of the Subletting and Subcontracting Fair Practices Act, Public Contract Code section 4100 et seq.

(b) Any additional cost incurred to substitute a Subcontractor shall be borne solely by DB Contractor and not otherwise reimbursable.

12.1.4. Subcontract Requirements

(a) Each Subcontract shall be consistent in all respects with this Contract's terms and conditions to the extent such terms and conditions are applicable to that Subcontract's scope of work, and each Subcontract shall:

(i) Include express requirements that: (1) RCTC and Department are third party beneficiaries of the Subcontract, and shall each have the independent right to enforce all of the terms of the Subcontract for their own benefit; (2) all guarantees and warranties, express or implied, shall inure to the benefit of RCTC and Department, and their respective successors and assigns; (3) the rights of DB Contractor under the Subcontract are assigned to RCTC contingent only upon delivery of Notice from RCTC following default by DB Contractor or termination or expiration of this Contract, allowing RCTC to assume the benefit of DB Contractor's rights with liability only for those remaining obligations of DB Contractor accruing after the date of assumption by RCTC; and (4) the Subcontractor shall recognize and attorn to RCTC upon receipt of Notice from RCTC that RCTC has exercised its rights under this Contract, without necessity for consent or approval from DB Contractor or to determine whether RCTC validly exercised its rights, and DB Contractor's covenant to waive and release any claim or cause of action against the Subcontractor in connection with its recognition and attornment in reliance on any such Notice, and DB Contractor hereby waives such claims and causes of action;

(ii) Not impose upon RCTC or Department any obligation or liability;

(iii) Not create any contractual relationship between RCTC or Department and the applicable Subcontractor;

(iv) Include the following provision:

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Nothing contained herein shall be deemed to create any privity of contract between or among the Riverside County Transportation Commission (RCTC), the California Department of Transportation (Department) and the Subcontractor, nor does it create any duties, obligations, or liabilities on the part of RCTC or Department to the Subcontractor except those allowed under California law. In the event of any claim or dispute arising under the Subcontract and/or DB Contractor's Contract with RCTC, the Subcontractor shall look only to DB Contractor for any payment, redress, relief, or other satisfaction. The Subcontractor hereby waives any claim or cause of action against RCTC or Department arising out of the Subcontract or otherwise arising in connection with the Subcontractor's Work;

(v) Set forth a standard of professional responsibility or standard for commercial practice (as applicable) at least equal to the requirements of this Contract and Good Industry Practice for work of similar scope and scale and contain certification by the Subcontractor that the Subcontractor is experienced in and qualified to do, and knowledgeable about, the subcontracted Work;

(vi) Require the Subcontractor to carry out its applicable scope of work in accordance with this Contract, applicable Governmental Approvals, and Governmental Rules, and to be joined in any dispute resolution proceeding in accordance with Section 28 if RCTC determines such joinder is reasonably necessary to resolve the Dispute;

(vii) Set forth effective procedures for claims and change orders, which procedures are consistent with the Change Order process in this Contract;

(viii) Set forth warranties, guaranties, and liability provisions of the contracting party in accordance with Good Industry Practice for work of similar scope and scale;

(ix) Include the following: (1) requirement to maintain usual and customary Books and Records for the type and scope of operations of business in which the Subcontractor is engaged (e.g., constructor, equipment supplier, designer, service provider); (2) provision permitting audits and interviews to be conducted by DB Contractor, RCTC, Department, and FHWA; (3) provision that Subcontractor warrants the completeness and accuracy of all information the Subcontractors or its agents provide in connection with Section 29.2; (4) requirement to provide progress reports to DB Contractor appropriate for the type of work it is performing sufficient to enable DB Contractor to provide the reports it is required to provide RCTC under this Contract; (5) requirement for the Subcontractor to maintain all appropriate licenses and for any Subcontractor performing Construction Work to be registered and maintain registration to perform public work in accordance with Labor Code section 1725.5 and to notify of any labor dispute that may delay performance under this Contract, requiring each Subcontractor to give notice and information to the next higher tier Subcontractor (or to DB Contractor, if it is a direct Subcontract; (6) provision prohibiting assignment of the Subcontract by the Subcontractor without DB Contractor's prior written consent; (7) provisions implementing the requirements of Section 29, and (8) copies of Labor Code sections 1771, 1775, 1776, 1777.5, 1813, and 1815;

(x) For Major Subcontracts: (i) be terminable only for cause, unless RCTC exercises a Termination for Convenience under this Contract in accordance with Section 23.1, in which case DB Contractor may terminate the Subcontractor for convenience in accordance with Section 12.1.4(a)(xii); (ii) include an indemnity from the Subcontractor in favor of DB Contractor and the Indemnified Parties against any and all Losses in connection with any negligent

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act error, or omission, gross negligence, fraud, recklessness, willful misconduct, or breach of Governmental Approvals, violation of Governmental Rules, or breach of contract by the Subcontractor or any of its officers, employees, agents or representatives; provided, however, that such Subcontractor indemnities shall not inure to the benefit of an Indemnified Party so as to impose liability on the Subcontractor for the active negligence of RCTC, or to relieve RCTC of liability for such active negligence; and (iii) include a covenant, expressly stated to survive termination of the Major Subcontract, to promptly execute and deliver to RCTC a new contract between the Subcontractor and RCTC on the same terms and conditions as the Major Subcontract, in the event: (A) the Major Subcontract is rejected by DB Contractor in bankruptcy or otherwise wrongfully terminated by DB Contractor or (B) RCTC delivers Notice for such new contract following termination or expiration of this Contract;

(xi) Expressly require that, upon Notice from DB Contractor after RCTC's request, the Subcontractor participate in meetings between DB Contractor and RCTC concerning matters pertaining to the Subcontract or its work. Nothing in this Section 12.1.4(a)(xi) shall limit the authority of RCTC to give such direction or take such action which, in its opinion, is necessary to remove an immediate and present threat to the safety of life, property or revenues;

(xii) Include the right of DB Contractor to terminate the Subcontract in whole or in part upon any Termination for Convenience of this Contract without liability of DB Contractor or RCTC for the Subcontractor's lost profits, consequential, or other damages, or business opportunity (except for Subcontractor's undisputed Work duly performed up to the date of termination);

(xiii) Expressly provide that all Liens, claims, and charges of the Subcontractor and its Subcontractors at any time shall not attach to any interest of RCTC or Department in the Project or the Project ROW;

(xiv) Include the prompt payment requirements in Section 18.15.1 and require the Subcontractor to make payments to sub-subcontractors and Suppliers in a similar manner;

(xv) Include provisions consistent with Public Contract Code section 9204(d)(5), which provides that a Subcontractor may request in writing, either on its own behalf or on behalf of a lower tier Subcontractor, that DB Contractor present a claim for work which was performed by the Subcontractor or by a lower tier Subcontractor on behalf of the Subcontractor. In such event the Subcontractor must furnish reasonable documentation to support the claim. Within 45 days of receipt of this written request, DB Contractor is required to notify the Subcontractor in writing as to whether DB Contractor presented the claim to RCTC and, if DB Contractor did not present the claim, provide the Subcontractor with a statement of the reasons for not having done so;

(xvi) Be consistent in all respects with the terms and conditions of this Contract to the extent such terms and conditions are applicable to the scope of work of such Subcontractors, and include all other provisions required by this Contract; and

(xvii) Provide that DB Contractor may assign its rights under this Contract and may subcontract Work in compliance with the requirements of this Contract, but shall not otherwise sublet, transfer, assign, or dispose of any portion of the Contract, or delegate any of its duties hereunder, except with Owner's prior written approval. DB Contractor's assignment or delegation of any of its Work under this Contract shall be ineffective to relieve DB Contractor of its responsibility for the Work assigned or delegated, unless Owner in its sole discretion, has approved in writing such relief from responsibility.

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(b) The amount of retainage to be withheld under Subcontracts shall not exceed the amount withheld by RCTC in accordance with Section 18.11.1.

(c) RCTC is not bound by any Subcontract, and no Subcontract shall include a provision purporting to bind it.

(d) As part of its Phase 2 Proposal, DB Contractor shall complete and provide RCTC a schedule listing its current Subcontractors, in the form of Exhibit 9-H (Subcontractor Identification Form). DB Contractor shall provide an updated schedule monthly throughout performance of the Work.

(e) DB Contractor shall allow RCTC access to all Subcontracts and records regarding Subcontracts and shall deliver to RCTC, within ten days after execution, true and complete copies of all Major Subcontracts, and within ten days after receipt of a request from RCTC, true and complete copies of all other Subcontracts as may be requested. At DB Contractor's option, copies of the pages of the Subcontracts delivered to RCTC may be redacted to remove pricing information.

(f) RCTC may review the form of subcontract used by DB Contractor for the Project and require modifications to such form to conform to the requirements in this Contract.

(g) As a condition precedent to Completion of the Work or a Package, DB Contractor shall procure and provide to RCTC the warranties described in this Contract from the relevant Subcontractor undertaking or supplying the work or item that is the subject of the warranty.

(h) No warranty will be construed in any way to modify or limit any of the rights, powers or remedies of RCTC against DB Contractor under this Contract or otherwise under Governmental Rules.

(i) No assignment of any warranty under Section 12.1.4(j)(ii) will be construed in any way to modify or limit any of RCTC's rights, powers or remedies against DB Contractor under this Contract or Governmental Rules.

(j) If DB Contractor is unable to or fails for any reason to provide any warranty required under this Contract:

(i) DB Contractor is deemed to have provided the warranty itself on like terms;

(ii) RCTC will be entitled to elect to take an assignment of all the right, title and interest in DB Contractor's rights against the Subcontractor in relation to the Project Assets; and

(iii) For the purpose of Section 12.1.4(j)(ii), DB Contractor irrevocably appoints RCTC as its lawful attorney to execute any instrument necessary to give effect to the assignment.

12.1.5. Subcontracts with Affiliates

(a) DB Contractor may have Work and services performed by Affiliates only under the following terms and conditions:

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(i) DB Contractor shall execute a written Subcontract with the Affiliate which complies with all requirements for Subcontracts under this Contract;

(ii) The terms and conditions of the Subcontract (including pricing and scheduling) shall be no less favorable to DB Contractor than those that DB Contractor could reasonably obtain in an arm's length, competitively procured transaction with an unaffiliated Subcontractor. DB Contractor shall bear the burden of proving that the same are no less favorable to DB Contractor; and

(iii) No Affiliate shall be engaged to perform any Work which this Contract or the Administrative Project Plans requires be performed by an independent or unaffiliated party. No Affiliate shall be engaged to perform any Work which would be inconsistent with Good Industry Practice or other Contract requirements.

(b) Before entering into or amending any Subcontract with an Affiliate, DB Contractor shall submit a true and complete copy of the proposed Subcontract to RCTC for review and comment. RCTC has 30 Days after receipt to deliver its comments to DB Contractor.

(c) DB Contractor shall make no payments to Affiliates for Work in advance of provision of such Work, except for reasonable mobilization payments or other payments consistent with arm's length, competitive transactions of similar scope.

12.1.6. Other Subcontracting Requirements

(a) In accordance with section 6109 of the Public Contract Code, no Subcontractor shall perform Work if that Subcontractor is ineligible to perform work on public works projects in accordance with section 1777.1 or 1777.7 of the Labor Code.

(b) DB Contractor shall comply with all other subcontracting requirements in 5-1.13 of Exhibit 5 (Modified Standard Specifications).

12.2. Performance of Work by DB Contractor or Affiliate

12.2.1. DB Contractor and its Affiliates shall self-perform Work totaling not less than 50% of the Construction Work included in the GMP (Phase 2). The dollar value included in the percentage performed by DB Contractor and Affiliates shall include the value of labor, materials and equipment to be incorporated or used in the Work and directly purchased or performed by DB Contractor or Affiliates and shall not include the value of subcontracted labor, materials and equipment, incorporated or used in the Work.

12.2.2. The designated percentage of Work to be performed by DB Contractor and its Affiliates may not be reduced below the level specified in Section 12.2.1 by the addition of Subcontractors added after the Effective Date.

12.3. Requirements for Self-Performed Work

12.3.1. DB Contractor or any Affiliate may only perform Work if:

(a) The express written approval of the RCTC Representative is obtained; and

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(b) DB Contractor and the RCTC Representative agree in writing upon a Lump Sum Scope of Work in accordance with Section18.5 or other compensation structure for the Work before its commencement.

12.3.2. For any scope of Work that DB Contractor or any Affiliate proposes to perform in excess of the level specified in Section 12.2.1, DB Contractor shall submit to RCTC, on an Open Book Basis, a proposal that includes:

(a) A detailed description of the aspects of the Technical Provisions to be performed;

(b) A detailed explanation of the effect of the proposed Work on the Project, including cost savings, benefits to the Project and risks to the Project; and

(c) Any other information reasonably requested by RCTC.

12.3.3. In RCTC's sole discretion, RCTC may:

(a) Require DB Contractor to prepare an RFP document and solicit Subcontractors to perform the Work proposed to be performed by DB Contractor or any Affiliate; and

(b) Select a third party to review DB Contractor's proposal, the Affiliate's proposal and any other proposals for the proposed Work.

12.3.4. When calculating the costs for Work to be performed by DB Contractor or any Affiliate, the following shall apply:

(a) The costs for that Work shall not include costs that are also included in the Fixed General Conditions Cost; and

(b) Notwithstanding Section 12.3.4(a), in determining the costs for that Work and additional general conditions, DB Contractor may include costs that are directly associated with that Work, which DB Contractor would not have incurred but for that Work.

12.3.5. If the RCTC Representative approves the Work under Section 12.3.1(a), DB Contractor must obtain the RCTC Representative's written approval before subcontracting the Work or otherwise performing it in a different manner.

12.3.6. DB Contractor shall enter into an Approved Subcontract Agreement as a pre-condition to any Affiliate's commencement of any Work under this Section 12.2.

12.4. Equal Employment Opportunity

12.4.1. DB Contractor shall not, and shall cause the Subcontractors to not, discriminate on the basis of race, color, national origin or sex in the selection of Subcontractors and the performance of the Work under this Contract. Failure by DB Contractor to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy as RCTC deems appropriate (subject to DB Contractor's rights to notice and opportunity to cure in this Contract).

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12.4.2. DB Contractor shall include Section 12.4.1 in every Subcontract (including purchase orders and in every subcontract of any DB-Related Entity for the Work) and shall require that they be included in all Subcontracts at lower tiers, so that such provisions will be binding upon each Subcontractor.

12.4.3. DB Contractor confirms that DB Contractor has an equal employment opportunity policy ensuring equal employment opportunity without regard to race, color, national origin, sex, age, religion or handicap; and that DB Contractor maintains no employee facilities segregated on the basis of race, color, religion or national origin. DB Contractor shall comply with all applicable Governmental Rules relating to equal employment opportunity and nondiscrimination, including those in Section 7-1021 of Exhibit 5 (Modified Standard Specifications), and in Exhibit 13 (State and Federal Requirements), and shall require its Subcontractors to comply with such provisions.

12.5. Labor Code Requirements

12.5.1. DB Contractor shall comply and cause its Subcontractor to comply with the provisions of the Labor Code and implementing regulations, including requirements with respect to prevailing wages, skilled and trained workforce and employment and training of apprentices, as described in Exhibit 13-B (Labor Code Requirements).

12.5.2. DB Contractor shall comply with the applicable provisions of the Labor Code and implementing regulations relating to labor nondiscrimination, and with the applicable federal requirements, including those in Exhibit 13 (State and Federal Requirements).

12.5.3. The California Department of Industrial Relations (DIR) is responsible for monitoring and enforcing prevailing wage requirements of applicable labor laws to ensure that all contractors working on the Project are in compliance with State (Division 2, Part 7, Chapter 1 of the Labor Code) prevailing wage statutes and regulations. Accordingly, the Project is subject to the requirements of DIR's compliance monitoring and enforcement program in Title 8, Chapter 8, Subchapter 4.5 of the California Code of Regulations, which include, among other requirements, the obligation to provide payroll records directly to the DIR Labor Commissioner. In addition, DB Contractor shall upload to a site designed by RCTC on a weekly basis the payroll records showing compliance with the requirements in this Section 12.5.3.

(a) Refer to Section 7-1.02K(3) of Exhibit 5 (Modified Standard Specifications) and Exhibit 13-B (Labor Code Requirements) for certain information regarding a number of labor compliance requirements applicable to the Contract under Labor Code section 1776. The labor compliance requirements do not constitute an exhaustive list, and that additional labor compliance requirements may apply to the Project under other Governmental Rules.

12.5.4. DB Contractor shall post a notice at the Site containing the following language:

> This public works project is subject to monitoring and investigative activities by the Division of Labor Standards Enforcement (DLSE), Department of Industrial Relations, State of California. This Notice is intended to provide information to all workers employed in the execution of the contract for public work and to all contractors and

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other persons having access to the job site to ensure compliance with and enforcement of prevailing wage laws on public works projects.

The prevailing wage laws require that all workers be paid at least the minimum hourly wage as determined by the Director of Industrial Relations for the specific classification (or type of work) performed by workers on the Project. These rates are listed on a separate job site posting of minimum prevailing rates required to be maintained by the public entity which awarded the public works contract. Complaints concerning nonpayment of the required minimum wage rates to workers on this Project may be filed with the office of the DLSE.

Complaints should be filed in writing immediately upon discovery of any violations of the prevailing wage laws due to the short period of time following the completion of the Project that the CMU may take legal action against those responsible.

Complaints should contain details about the violations alleged (for example, wrong rate paid, not all hours paid, overtime rate not paid for hours worked in excess of 8 hours per day or 40 per week, etc.) as well as the name of the employer, the public entity which awarded the public works contract, and the location and name of the Project.

For general information concerning the prevailing wage laws and how to file a complaint concerning any violation of these prevailing wage laws, you may contact any DLSE office. Complaint forms are also available at the Department of Industrial Relations website found at www.dir.ca.gov/dlse/PublicWorks.html.

12.5.5. Whenever DB Contractor has knowledge that any actual or potential labor dispute may delay its performance under this Contract, DB Contractor shall immediately provide Notice to and submit all relevant information to RCTC.

12.5.6. The Copeland "Anti-Kickback" Act, as amended, 18 U.S.C. § 874 and 40 U.S.C. § 3145, and implementing U.S. DOL regulations, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States", 29 C.F.R. Part 3.

12.6. Prevailing Wages

12.6.1. DB Contractor shall comply and cause its Subcontractors to comply with all applicable requirements of Division 2, Part 7, Chapter 1 of the Labor Code, including those in Exhibit 13 (State and Federal Requirements).

12.6.2. If it is found that a DB Contractor employee or a Subcontractor has been or is being paid a rate of wages less than the rate of wages required by this Contract to be paid, RCTC may declare a DB Contractor Default under Section 24.1.1(g).

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12.6.3. RCTC will periodically perform interviews with craft workers regarding work being performed, wages being paid, and benefits received. DB Contractor will cooperate with RCTC/PCM staff performing the interviews.

12.7. Disadvantaged Business Enterprise (DBE) Program

This Contract is subject to the federal Disadvantaged Business Enterprise (DBE) program requirements found at 49 CFR Part 26 (the "DBE Regulations"). For this reason, RCTC has adopted Department's "Disadvantaged Business Enterprise Policy" and has specified DBE requirements applicable to this Project. The purpose of the federal DBE program is to create a level playing field on which DBEs can compete fairly for contracts and subcontracts on the Project. The DBE Regulations are incorporated by reference as part of RCTC's Design-Build Contract Specific DBE Requirements for the Project.

On October 3, 2025, the USDOT issued an IFR that makes certain changes to the DBE program (49 CFR Part 26), effective immediately. RCTC is currently awaiting further instruction from the Department related to this IFR to identify necessary program and procedural changes to ensure full compliance. As such, the DBE goal of this Project is as set forth in Section 12.7.2 below until the Department provides notice that DBE participation can be counted. Subject to applicable Governmental Rules, RCTC may amend any of the DBE requirements set forth in this Contract in the future to allow the counting of DBE participation.

12.7.1. Compliance

Upon notification from RCTC that Department has provided notice as referenced in Section 12.7, DB Contractor shall comply with (a) the Progressive Design-Build Contract Specific DBE Requirements; and (b) DB Contractor's DBE Performance Plan, as approved by RCTC. In the event of any conflicts or inconsistencies between the DBE Regulations and the Design-Build Contract Specific DBE Requirements for the Project, the DBE Regulations shall prevail.

12.7.2. DBE Participation – DBE Goal

RCTC has established a 0.0% DBE goal for the Project, which represents the level of DBE participation, DB Contractor shall commit to meeting on the Project. Once RCTC has received notice from Department as referenced in Section 12.7, RCTC may adjust the DBE goal in order to comply with 49 CFR Part 26. RCTC will maintain oversight of DB Contractor's activities, including those identified within the RCTC-approved DBE Performance Plan, to ensure full compliance with the DBE requirements.

12.7.3. DB Contractor Reporting Requirements

Upon notification from RCTC that Department has provided notice as referenced in Section 12.7, DB Contractor shall commence the following reporting activities:

(a) DB Contractor shall develop reporting formats, in a form acceptable to RCTC, to effectively provide updates to all DBE Performance Plan elements on a monthly basis.

(b) DB Contractor shall submit a monthly report to RCTC no later than the 10th day of each month until Final Acceptance. The format and content of the report is to be developed by DB Contractor, in accordance with the reporting requirements prescribed in the Progressive Design-Build Contract Specific DBE Requirements.

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(c) Failure to submit these reports by the 10th day of each month to RCTC shall result in the application of appropriate administrative sanctions, including withholding of payment to DB Contractor of two percent of the invoice amount due per month, until such time as a completed report is submitted.

12.7.4. Calculation and Crediting of DBE Participation

DBE participation shall be credited and calculated in accordance with 49 CFR § 26.55.

12.7.5. DBE Program Records Management

Upon notification from RCTC that Department has provided notice as referenced in Section 12.7, DB Contractor shall maintain and submit monthly all records substantiating the progress of DBE participation regardless of tier and demonstrating compliance with the Progressive Design-Build Contract Specific DBE Requirements for DBE prompt payment and payment of retainage, and such documentation, including copies of cancelled checks issued, unconditional waivers, and progress payment releases shall be made available for inspection upon request by RCTC.

12.7.6. DBE Frauds and Fronts

Only legitimate DBEs are eligible to participate in federally funded contracts. Therefore, DB Contractor shall not knowingly and willfully use "fronts" to attain DBE participation for the Project. The use of "fronts" and "pass-through" Subcontracts to non-DBE firms constitute criminal violations. Further, any indication of fraud, waste, abuse, or mismanagement of federal funds should be immediately reported to the Office of Inspector General, U.S. Department of Transportation, at the toll-free Fraud, Waste and Abuse Hotline, 800-424-9071.

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SECTION 13
PERFORMANCE AND PAYMENT BONDS; GUARANTY

13.1. Phase 1 Bonds

13.1.1. On or before the Effective Date, DB Contractor shall provide RCTC:

(a) A performance bond in the amount specified in the Contract Particulars (Phase 1), including a multiple obligee rider in favor of Department, and in the form of Appendix 7-A-1 (Form of Phase 1 Performance Bond) ("**Phase 1 Performance Bond**") to Exhibit 7-A (Form of Performance Bonds); and

(b) A payment bond in the amount specified in the Contract Particulars (Phase 1), including a multiple obligee rider in favor of Department, and in the form of Appendix 7-B-1 (Form of Phase 1 Payment Bond) ("**Phase 1 Payment Bond**") to Exhibit 7-B (Form of Payment Bonds),

(together "**Phase 1 Bonds**").

13.1.2. RCTC will release:

(a) The Phase 1 Performance Bond as follows:

(i) Upon the issuance of RCTC's Notice to DB Contractor under Section 7.5.3 stating that Phase 2 Approval has not occurred; or

(ii) If RCTC provides Notice to DB Contractor under Section 7.5.2(a) stating that Phase 2 Approval has occurred, upon either:

(1) The date that the Phase 2 Performance Bond is provided to RCTC in the form provided in Appendix 8-A-2 (Form of Phase 2 Performance Bond) to Exhibit 7-A (Form of Performance Bonds); or

(2) The Date of Phase 2 Approval, if the Phase 2 Performance Bond is provided to RCTC in an alternate stand-alone form approved by RCTC, in its sole discretion,

provided, in each case, no claim currently has been filed by RCTC or Department against the Phase 1 Performance Bond and DB Contractor is not in default under this Contract and no event has occurred which, with the passage of time or the giving of notice, would constitute a default under this Contract; and

(b) The Phase 1 Payment Bond as follows:

(i) Upon the issuance of RCTC's Notice to DB Contractor under Section 7.5.3 stating that Phase 2 Approval has not occurred; or

(ii) If RCTC provides Notice to DB Contractor under Section 7.5.2(a) stating that Phase 2 Approval has occurred upon either:

(1) The date that the Phase 2 Payment Bond is provided to RCTC in the form provided in Appendix 8-B-2 (Form of Phase 2 Payment Bond) to Exhibit 7-B (Form of Payment Bonds); or

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(2) The Date of Phase 2 Approval, if the Phase 2 Payment Bond is provided to RCTC in an alternate stand-alone form approved by the RCTC, in its sole discretion,

provided, in each case, DB Contractor is not in default under this Contract, and no event has occurred which, with the passage of time or the giving of notice, would constitute a default under this Contract and either: (1) DB Contractor has delivered to RCTC (a) evidence, satisfactory to RCTC, that all persons eligible to file a Claim against the Phase 1 Payment Bond have been fully paid and (b) unconditional releases of Liens and stop payment notices from all Subcontractors who filed a preliminary notice of a claim against the Phase 1 Payment Bond; or (2) the statutory period for Subcontractors to file a claim against the Phase 1 Payment Bond has expired and no claims have been filed.

13.2. Phase 2 Bonds

13.2.1. As a condition precedent to Phase 2 Approval and the execution of the Phase 2 Amendment, DB Contractor shall provide to RCTC:

(a) A performance bond in the amount specified in the Contract Particulars (Phase 2), including a multiple obligee rider in favor of Department, and in the form of Appendix 8-A-3 (Form of Phase 2 Performance Bond) to Exhibit 7-A (Form of Performance Bonds) or in an alternative stand-alone form approved by RCTC, in its sole discretion ("**Phase 2 Performance Bond**"); and

(b) A payment bond in the amount specified in the Contract Particulars (Phase 2), including a multiple obligee rider in favor of Department, and in the form of Appendix 8-B-3 (Form of Phase 2 Payment Bond) to Exhibit 7-B (Form of Payment Bonds) or in an alternative stand-alone form approved by RCTC, in its sole discretion ("**Phase 2 Payment Bond**"),

(together "**Phase 2 Bonds**").

13.2.2. RCTC will release:

(a) The Phase 2 Performance Bond upon Completion of the Work, provided (i) no claim has been filed by RCTC or Department against the Phase 2 Performance Bond; (ii) DB Contractor is not in default under this Contract and no event has occurred which, with the passage of time or the giving of notice, would constitute a default under this Contract; and (iii) RCTC has received the Warranty Bond in accordance with Section 13.2.3; and

(b) The Phase 2 Payment Bond upon Completion of the Work, provided (i) DB Contractor is not in default under this Contract, and no event has occurred which, with the passage of time or the giving of notice, would constitute a default under this Contract; and (ii) either: (x) DB Contractor has delivered to RCTC (1) evidence, satisfactory to RCTC, that all persons eligible to file a Claim against the Phase 2 Payment Bond have been fully paid, and (2) unconditional releases of Liens and stop payment notices from all Subcontractors who filed a preliminary notice of a claim against the Phase 2 Payment Bond; or (y) the statutory period for Subcontractors to file a claim against the Phase 2 Payment Bond has expired and no claims have been filed.

13.2.3. Warranty Bond

(a) Upon Final Acceptance, DB Contractor may obtain a release of the Phase 2 Performance Bond and Phase 2 Payment Bond if DB Contractor provides to RCTC and

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maintains a warranty bond in the form of Exhibit 7-C, or such other security as RCTC may approve, that guarantees performance of Work required to be performed during the period following Final Acceptance, including Warranty Work and Plant Establishment Work, and which shall also constitute a payment bond guaranteeing payment to Persons performing such Work (the "**Warranty Bond**"). The Warranty Bond, if used, shall include a multiple obligee rider, in form and substance consistent with that in Exhibit 7-C, in favor of Department, Utility Owners and Local Agencies (as applicable).

(b) If used, the Warranty Bond shall be in an amount specified in Exhibit 9-A (Contract Particulars (Phase 2)) ("**Warranty Bond Amount**"). RCTC will release the Warranty Bond upon the later of expiration of the Warranty Period or Plant Establishment Period, provided the following conditions have been met:

(i) DB Contractor is not in default under this Contract and no event has occurred that, with the passage of time or the giving of Notice, would constitute a default under this Contract;

(ii) RCTC receives (1) evidence satisfactory to RCTC that all Persons eligible to file a Claim against the Warranty Bond have been fully paid, and (2) unconditional releases of Liens and stop payment notices from all Subcontractors, if any, that filed preliminary notice of a claim against the Warranty Bond;

(iii) The statutory period for Subcontractors to file a Claim against the Warranty Bond has expired and no claims have been filed;

(iv) No claim by RCTC or Department has been filed against the Warranty Bond; and

(v) As of the end of the Warranty Period, DB Contractor has assigned and transferred to RCTC all unexpired warranties on equipment, materials or otherwise relating to the Work.

13.2.4. Eligible Surety; Replacement Bonds; Increase in Bonds

(a) Each Bond required under this Contract shall be issued by an Eligible Surety authorized to do business in the State and listed on United States Department of the Treasury's Listing or Approved Sureties or otherwise approved by RCTC in its sole discretion.

(b) If any Bond previously provided becomes ineffective, or if the Eligible Surety that provided the Bond no longer meets the requirements of this Contract, DB Contractor shall provide a replacement Bond in the same form issued by an Eligible Surety. DB Contractor shall provide Notice to RCTC promptly following such Bond being rendered ineffective or when such Bond's surety is no longer an Eligible Surety, in no case later than two Business Days thereafter.

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13.3. If the Contract Price is increased in connection with a Change Order, RCTC may require a corresponding proportionate increase in the amount of any Bond, a new Bond, or alternative security to cover the Change Order Work.

13.4. No Relief of Liability

Notwithstanding any other provision of this Contract, performance by a Surety or Guarantor of any of the obligations of DB Contractor shall not relieve DB Contractor of any of its obligations under this Contract.

13.5. Guaranty

(a) The Guarantor shall provide and maintain the guaranty, in the form provided in Exhibit 14 (Guaranty), in full force and effect throughout the Term.

(b) DB Contractor shall periodically report to RCTC regarding the financial capacity of the Guarantor as required in Section 29.1.2(b). If, at any point during the course of this Contract, the Guarantor's financial capacity is materially negatively affected, as determined by RCTC in its good faith discretion, RCTC may require, and DB Contractor provide, one or more additional guarantees so that the combined financial capacity of the Guarantor and the additional guarantors provides equivalent security to RCTC as the guaranty provided as of the Effective Date. Each such guaranty shall be substantially in the form provided in Exhibit 14 (Guaranty), together with appropriate evidence of authorization, execution, delivery and validity of such guarantee.

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SECTION 14
INSURANCE

DB Contractor shall purchase and continuously maintain in full force and effect the insurance coverages specified in this Section 14 and Exhibit 12 (Insurance Requirements) for each Phase. Coverage shall be maintained from and after the Effective Date through the expiration of the Warranty Period, or such longer or shorter time as may be specifically provided in this Section 14 or Exhibit 12.

14.1. General Insurance Provisions

14.1.1. Commencement of Work

DB Contractor and its Subcontractors shall not commence Work under this Contract or any applicable Subcontract until DB Contractor or the applicable Subcontractor: (a) obtains the insurance coverage required under this Section 14 and Exhibit 12 for the applicable Work; (b) provides RCTC with evidence that the required insurance, as specified under Section 14.1.8, is in effect for the applicable Work; and (c) RCTC approves such insurance. RCTC has no duty to pay or perform under this Contract until such evidence of insurance, in compliance with all requirements of this Section 14, has been provided.

14.1.2. Non Limitation of Insurance Requirements

(a) The Parties acknowledge and agree that:

(i) The insurance coverage provided and limits required under this Contract are minimum requirements and are not intended to limit DB Contractor's indemnification obligations under Section 27, nor do the indemnity obligations limit the rights of the Indemnified Parties to the coverage afforded by their insured status;

(ii) Requirements of specific coverage features or limits contained in this Section 14 and Exhibit 12 are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by insurance;

(iii) Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type; and

(iv) All insurance coverage and limits provided by DB Contractor, or by third parties in accordance with DB Contractor's obligations under this Contact, and, in each case, available or applicable to this Contract are intended to apply to the full extent of the insurance policies, and nothing contained in this Contract limits, or shall be deemed to limit, the application of such insurance coverage.

(b) With the exception of any insurance required by a railroad, liability insurance coverage shall not be limited to the specific location designated as the Site, except that if DB Contractor arranges project-specific general liability, excess liability, or workers' compensation coverage, limitations of coverage to the Site will be permitted subject to RCTC approval and use of the broadest available site-specific endorsements. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third-party-over action" claims, including any exclusion for bodily injury to an employee of the insured or of any Subcontractor.

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14.1.3. No Recourse

There shall be no recourse against RCTC or Department for payment of premiums, deductibles, or other amounts with respect to the insurance DB Contractor is required to provide under this Contract, except for deductibles payable by RCTC as specified in this Contract.

14.1.4. Changes in Insurance Requirements

RCTC shall provide Notice to DB Contractor of any changes in the requirements to insurance DB Contractor is required to provide under this Contract. Subject to Section 14.1.10(c), any additional cost from such change shall be paid by RCTC and any reduction in cost shall reduce the Contract Price in accordance with a Change Order.

14.1.5. Premiums, Deductibles and Self-Insured Retentions

(a) DB Contractor shall pay all insurance premiums required under this Section 14.

(b) DB Contractor acknowledges and agrees that for each Claim made against insurance policies provided under this Contract, with respect to all matters for which DB Contractor is responsible under this Contract, DB Contractor shall be solely responsible for all deductibles, self-insured retentions, and loss amounts in excess of the coverage limits provided.

(c) Any self-insured retentions maintained by DB Contractor over $500,000 must be declared to and approved by RCTC; except that (i) self-insured retentions for professional liability insurance shall be governed by Section 6 of Exhibit 12, and (ii) self-insured retentions for commercial general liability insurance shall be governed by Section 1(d) of Exhibit 12.

(d) In the event RCTC determines, in its good faith discretion, that conditions exist that could result in substantial financial peril to DB Contractor, RCTC may, in its good faith discretion, require DB Contractor to post collateral to RCTC guaranteeing payment of losses and related investigations, claims administration, and defense expenses or require DB Contractor to reduce the amount of self-insured retentions under the policies.

14.1.6. Required Endorsements or Policy Provisions

All insurance policies that DB Contractor is required to provide under this Contract shall contain provisions or be endorsed to comply with the following requirements:

(a) Each of the Indemnified Parties, either through endorsement or policy provision, shall be an insured under DB Contractor's and Subcontractors' commercial general liability, automobile liability, umbrella or excess liability, pollution liability, and builder's risk insurance policies. Insured status for Indemnified Parties under any commercial general liability policy shall be as specified in Section 1(a) of Exhibit 12. Insured status for Indemnified Parties under any builder's risk insurance policies shall be as specified in Section 7 of Exhibit 12.

(b) For Claims covered by the insurance required under this Contract, said insurance coverage shall be primary insurance with respect to the insureds, additional insureds, and their respective members, directors, officers, employees, agents, and consultants. Any insurance or self-insurance beyond that required in this Contract that is maintained by an Indemnified Party, their directors, officers, employees, agents, or consultants shall be excess of such insurance required by this Contract and shall not contribute with it.

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(c) The insurance shall apply separately to each insured and additional insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability.

(d) Each insurance policy required under this Contract shall:

(i) Be endorsed to state that coverage shall not be canceled or non-renewed except after providing to RCTC 30 days' prior Notice (or ten days' prior Notice in the case of cancellation for non-payment of premium), and such endorsement shall not include any limitation of liability of the insurer for failure to provide such Notice; and

(ii) Provide coverage on an "occurrence" basis and not a "claims made" basis (with the exception of professional liability), and no policy issued on an occurrence basis shall have any sunset clause requiring reporting within a specified period of time, except as specified for pollution liability policies in Section 4(e) of Exhibit 12.

14.1.7. Waivers

RCTC and DB Contractor waive all rights against each other, against each other's agents and employees, and their respective members, directors, officers, employees, agents, and consultants for any Third Party Claims to the extent covered by insurance obtained in accordance with this Section 14 and Exhibit 12, except such rights as they may have to the proceeds of such insurance. DB Contractor shall include similar waivers in all Subcontracts. Workers' compensation policies must be endorsed to waive the insurer's right of subrogation for the parties identified above. All other policies, except professional liability, shall waive any right of subrogation by endorsement, or by policy provision that would allow the insured to waive its right of recovery against the Indemnified Parties and their respective members, directors, officers, employees, agents and consultants "before loss."

14.1.8. Verification of Coverage

(a) DB Contractor Policies

DB Contractor shall:

(i) Prior to its commencement of the applicable Work, cause each Subcontractor to provide certificates of insurance and amendatory endorsements effecting coverage required by this Section 14 and Exhibit 12 and maintain such evidence until the fifth anniversary of the expiration of the last Warranty Period, at which time DB Contractor shall forward to RCTC all collected evidence of insurance relating to the Project, or copies thereof; and

(ii) Permit, and cause each Subcontractor to permit, RCTC to inspect any insurance policies that have not been delivered to RCTC; except that this requirement shall not apply to the corporate or practice professional liability insurance policies of design Subcontractors.

(b) Renewal Policies

DB Contractor shall promptly deliver to RCTC evidence of insurance with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverages for the terms specified in this Contract. Such evidence shall be delivered to RCTC as far in advance of renewal or binding any policy as is reasonably possible.

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14.1.9. Review of Coverage

(a) RCTC may at any time to review the coverage, form, and amount of insurance required under this Section 14 and Exhibit 12, and may require DB Contractor to make changes in such insurance reasonably sufficient in coverage, form, and amount to provide adequate protection against the kind and extent of risk that exists at that time.

(b) RCTC may change the insurance coverages and limits required under this Section 14 and Exhibit 12 by Notice to DB Contractor, whereupon DB Contractor shall, within 60 days of such Notice date, procure the additional and/or modified insurance coverages. Upon such change, and except as provided in Section 14.1.10, any additional Cost from such change shall be paid by RCTC and any reduction in Cost shall reduce the Contract Price in accordance with a Change Order.

14.1.10. Commercial Unavailability of Required Coverages

(a) If, through no fault of DB Contractor, any of the coverages required in this Section 14 or Exhibit 12 (or any of the required terms of such coverages, including policy limits) become unavailable or are available only with commercially unreasonable premiums, RCTC will consider in good faith alternative insurance packages and programs that DB Contractor proposes, with the goal of reaching agreement on a package that provides coverage equivalent to that specified in this Contract.

(b) DB Contractor shall:

(i) Demonstrate to RCTC's satisfaction that DB Contractor used diligent efforts in the global insurance markets to place the required insurance coverages and shall advise RCTC of the specific results of those efforts; and

(ii) Not be entitled to any increase in the Contract Price for increased Costs resulting from the unavailability of coverage and the requirement to provide acceptable alternatives. RCTC, however, may receive a reduction in the Contract Price if it accepts alternative policies that provides less than equivalent coverage, with the amount of such reduction to be determined by extrapolation using the insurance quotes included in the Proposal or Phase 2 Proposals (as applicable), or based on other evidence of insurance premiums as of the Setting Date if the Proposal or Phase 2 Proposals do not provide adequate information.

14.1.11. Notice of Prosecution of Claims

Responsibility for Notice and prosecution of Claims shall be in accordance with the following provisions:

(a) To the extent permitted by applicable Governmental Rules, RCTC may submit RCTC's Claims and tenders of defense and indemnity under applicable insurance policies. Unless otherwise directed by RCTC by Notice with respect to RCTC's insurance Claims, DB Contractor shall report and process all potential claims by RCTC or DB Contractor against the insurance policies. DB Contractor agrees to report timely to the insurer(s) under such policies any and all matters that may give rise to an insurance Claim by DB Contractor or RCTC, and to promptly and diligently pursue such insurance Claims in accordance with the Claims procedures specified in such policies, whether for defense or indemnity or both. DB Contractor shall enforce all legal rights against the insurer under the applicable insurance policies and applicable Governmental Rules in order to collect thereon, including pursuing necessary litigation and enforcement of judgments.

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(b) DB Contractor shall immediately provide Notice to RCTC, and thereafter keep RCTC fully informed, of any incident, Claim, or other matter of which DB Contractor becomes aware that involves or could conceivably involve an Indemnified Party as a defendant. DB Contractor shall cooperate with RCTC and shall require its liability insurers to agree in writing to work with RCTC to assure compliance with all requirements of the California Government Claims Acts, Government Code sections 910, 911, 912, 913, and 945, regarding timely response to claims.

(c) RCTC shall promptly provide Notice to DB Contractor of RCTC's incidents, potential Claims against RCTC, and matters of which RCTC is actually aware and that may give rise to an RCTC insurance claim, or to a right of defense and indemnification under Section 23.1. Delivery of any such Notice will constitute a tender of RCTC's defense of the Claim to DB Contractor and the insurer under any applicable insurance policies, subject to RCTC's rights to control its own defense to the extent provided in Section 27.2 or by applicable Governmental Rules. RCTC shall cooperate with DB Contractor as necessary for DB Contractor to fulfill its duties under this Contract, including providing DB Contractor a copy of all written materials RCTC receives asserting a claim against RCTC that is subject to defense by an insurer under an insurance policy or by DB Contractor under Section 23.1.

(d) If an insurer providing any of the insurance policies required under this Section 14 becomes the subject of bankruptcy proceedings, becomes insolvent, or is the subject of an order or directive given by any Governmental Entity, including the State, limiting the insurer's business activities, DB Contractor shall promptly secure alternative coverage that complies with the insurance requirements in this Section 14, so as to avoid any lapse in insurance coverage.

14.1.12. DB Contractor's Failure to Comply

(a) If DB Contractor or any Subcontractor fails to provide and maintain insurance as required in this Contract, then RCTC may purchase such insurance or suspend DB Contractor's right to proceed with the Work until proper evidence of insurance is provided.

(b) Any amounts paid by RCTC in accordance with Section 14.1.12(a) (plus an administrative charge equal to 10% of the cost) shall, at RCTC's sole option, be deducted from amounts payable to DB Contractor, or reimbursed by DB Contractor upon demand. Nothing in this Contract shall preclude RCTC from exercising its rights and remedies under Section 24 as a result of the failure of DB Contractor or any Subcontractor to satisfy the obligations of this Section 14 and Exhibit 12.

(c) If on account of DB Contractor's failure to comply with the provisions of this Section 14 or Exhibit 12, RCTC is adjudged to be responsible for all or any portion of a judgment, loss, or settlement (through admission or stipulation by DB Contractor or court decision) that would have been covered by insurance but for non-compliance with this Section 14 or Exhibit 12, then any loss or damage RCTC sustains by reason thereof shall be borne by DB Contractor, and DB Contractor shall immediately pay the same to RCTC, upon receipt of Notice and evidence of such loss or damage.

(d) DB Contractor acknowledges and agrees that any actual or alleged failure on the part of RCTC to inform DB Contractor of non-compliance with any requirement imposes no additional obligations on RCTC nor does it waive any rights under this Contract.

14.1.13. Subcontractor Insurance Requirements

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(a) DB Contractor shall cause each Subcontractor to provide insurance that complies with the requirements for DB Contractor-provided insurance in this Section 14 and Exhibit 12 in circumstances where Subcontractor acts or omissions are not covered by DB Contractor-provided insurance.

(b) Except as otherwise specified in this Section 14 or Exhibit 12, DB Contractor has sole responsibility for determining the limits of coverage required to be obtained by Subcontractors, which determination shall be made in accordance with reasonable and prudent business practices.

(c) DB Contractor shall cause each such Subcontractor to include the Indemnified Parties as additional insureds under such Subcontractor's general liability and excess liability insurance policies.

(d) If requested by RCTC, DB Contractor shall promptly provide certificates of insurance evidencing coverage for each Subcontractor. RCTC may contact the Subcontractors directly in order to verify the above coverage. DB Contractor's determination of such insurance shall not be interpreted as relieving DB Contractor, or its insurer of any liability otherwise imposed on DB Contractor or its insurers under this Contract.

14.1.14. Coverage to be Provided by DB Contractor During Warranty Period and Plant Establishment Period

During the period from Project Completion and through the expirations of the Warranty Period and Plant Establishment Period, DB Contractor shall continue to comply with insurance requirements, which shall be the same as required during the period after issuance of NTP Phase 1 and prior to issuance of NTP Phase 2, as specified in Sections 1 through 7 of Exhibit 12.

14.1.15. Disclaimer

(a) DB Contractor and each Subcontractor shall ensure that their insurance programs fit their particular needs, and it is their responsibility to arrange for and secure any insurance coverage they deem advisable, whether or not specified in this Contract, and to fulfill their defense and indemnity obligations as specified under this Contract.

(b) RCTC makes no representation or warranty that the coverage, limits of liability, or other terms specified for the insurance policies required under this Section 14 or Exhibit 12 are adequate to protect DB Contractor against its undertakings under this Contract or its liability to any third party, nor shall the existence of any such terms preclude RCTC from taking any actions as are available to it under this Contract or otherwise at law.

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SECTION 15
SITE SECURITY; MAINTENANCE AND REPAIR; TITLE

15.1. Site Security

DB Contractor shall provide appropriate security for the Site, and shall take all reasonable precautions and provide protection to prevent damage, injury, vandalism, theft and loss to the Work, equipment and materials used to perform the Work, real property within the Site (including all RCTC-Provided Property, Available Properties and Additional Properties) and other property at or on the Site, whether owned, or under exercise of other real property rights, by DB Contractor, RCTC, Department or any other third party.

15.2. Obligation to Maintain and Repair

15.2.1. Maintenance and Repair Liability

(a) Subject to DB Contractor's relief from maintenance responsibilities under Section 15.2.3, DB Contractor shall:

(i) Perform Maintenance Work and Extra Maintenance Work within the RCTC-Provided Property, in accordance with and during the time periods in TP Section 21.4;

(ii) Maintain and, as applicable, rebuild, repair, or replace Work (including Design Documents, Construction Documents, materials, equipment, supplies, and maintenance equipment purchased for permanent installation in, or for use during construction of, the Project, and regardless of whether RCTC has title thereto) that is injured or damaged from NTP Phase 1 until the ELPSE Revenue Service Commencement Date for Work comprising the TCS Infrastructure, and from NTP Phase 1 until Final Acceptance for all other Work;

(iii) Maintain and protect existing landscaping (including existing trees, shrubs, lawns, and other plantings), replacement plantings, and irrigation systems within the Site in accordance with and during the time periods in TP Section 20.4; and

(iv) Subject to DB Contractor's entitlement to additional compensation or extension of time for Extra Maintenance Work, maintain and, as applicable, rebuild, repair, or replace all other property (including structures, Utilities, curbs, walks, drives, trees, shrubs, lawns, and landscaping) at or on the Site or affected by DB Contractor's activities, whether owned by DB Contractor, RCTC, Department, or any other third party from the Encroachment Permit Construction Commencement Date until Final Acceptance as provided in TP Section 21.4.5, Table 21-1.

(b) DB Contractor shall provide suitable drainage of the roadway and erect temporary structures where necessary to protect the Work, and equipment and materials used to perform the Work, from damage and loss. If any element of the Work is damaged, DB Contractor shall rebuild, repair, or replace the damaged element to the condition this Contract requires for initial construction of the element.

(c) DB Contractor shall provide guards, protection and covering as necessary to protect third-party owned real property (including RCTC-Provided Property, Available Property and Additional Property) and other property within, on, or adjacent to the Site, and affected in connection with the Work but excluding the TCS Infrastructure. If any such third-party owned real or other property is damaged (whether caused by a DB-Related Entity or arising out of the Work) DB Contractor shall immediately provide Notice to the affected third party and to RCTC

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and, subject to Section 15.2.1(d), rebuild, repair, or replace, as applicable, the damaged property to its condition before the damage.

(d) Where a Governmental Rule or preexisting agreement between the third-party property owner and either RCTC or DB Contractor requires a different standard for rebuilding or replacing damaged property, DB Contractor shall rebuild, repair, or replace the damaged property to such different standard. If, however, the third-party property owner elects to rebuild or repair the damaged property with its own forces, DB Contractor shall pay such party to perform that work.

(e) If DB Contractor fails to comply with the requirements of Section 15.2.1(c) through 15.2.1(d), RCTC may take action under Section 9.4 as if the work was a Nonconformance.

(f) If ordered by RCTC, DB Contractor shall properly store materials that have been partially paid for by RCTC. Storage by DB Contractor shall be on behalf of RCTC; RCTC shall at all times be entitled to the possession of the materials; and DB Contractor shall promptly return the materials to the Site when requested by RCTC. DB Contractor shall not dispose of any of the materials stored except with RCTC's prior written consent.

15.2.2. Use of Insurance Proceeds

(a) If insurance proceeds with respect to any loss or damage are paid to RCTC under any insurance policies required to be provided under this Contract, then RCTC shall arrange for such proceeds to be paid to DB Contractor as approved rebuild, repair or replacement work is performed by DB Contractor to the extent that RCTC has not previously paid for such rebuild, repair or replacement work.

(b) Release of proceeds to DB Contractor under Section 15.2.2(a) is not a condition precedent to DB Contractor performing such repair, rebuild or replacement work or an indication that such rebuild, repair or replacement work has been approved and accepted by RCTC, and DB Contractor shall remain obligated to pay deductibles and self-insured retentions as specified in Section 14.

15.2.3. Relief from Maintenance Liability

(a) Effective as of the ELPSE Revenue Service Commencement Date, DB Contractor shall be relieved of maintenance liability for the TCS Infrastructure and all other elements of the Project that comprise the Toll Facilities and which are then placed in full operations and service, which decision shall be subject to RCTC's good faith discretion.

(b) All remaining elements of the Work (except for Plant Establishment Work) and remaining portions of the RCTC-Provided Property shall be considered accepted for maintenance purposes, and relief from maintenance responsibility for DB Contractor shall occur, as of the Final Acceptance Date.

(c) Upon expiration of the Plant Establishment Period, DB Contractor shall be relieved of responsibility for Plant Establishment Work.

(d) Notwithstanding the foregoing, all elements of the Work and portions of the RCTC-Provided Property that will be owned by Persons other than RCTC or Department (such as Utility facilities or Local Agencies) will be considered accepted for maintenance purposes only as of the date of acceptance of maintenance responsibilities by such Persons.

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15.2.4. Extension of Maintenance and Repair Obligation

RCTC may require DB Contractor to continue to maintain, rebuild, repair or replace Work accepted by RCTC by way of a Change Order or Directive Letter under Section 21.4. Any RCTC-Directed Change extending DB Contractor's obligations to maintain, rebuild, repair and replace Work shall include a requirement to provide performance security separate from the Bonds described in Section 13.1 and extensions of certain insurance coverages described in Section 14 and Exhibit 12 (Insurance Requirements). Notwithstanding the RCTC-Directed Change, DB Contractor shall be entitled to release of each Phase 2 Performance Bond and Phase 2 Payment Bond in accordance with the terms of those instruments and Section 13.1, provided that (a) DB Contractor has otherwise satisfied all conditions to the release of the Phase 2 Payment Bond and Phase 2 Performance Bond but for the addition of the extended maintenance, rebuild, repair and replacement obligations directed by RCTC, and (b) DB Contractor has provided separate performance security for the extended maintenance, rebuild, repair and replacement obligations in form, amount and substance satisfactory to RCTC and such security will remain in effect after the release of the Phase 2 Payment Bond and Phase 2 Performance Bond.

15.3. Title

DB Contractor warrants that:

(a) DB Contractor owns, or will own, and has, or will have, good and marketable title to all materials, equipment, tools and supplies provided, or to be provided, by it and its Subcontractors that become part of the Project or are purchased for RCTC for the operation, maintenance, rebuild, repair or replacement thereof, free and clear of all Liens;

(b) Title to all such materials, equipment, tools and supplies delivered to the Site shall pass to RCTC, free and clear of all Liens, upon the sooner of (i) incorporation into the Project, (ii) payment by RCTC to DB Contractor of invoiced amounts pertaining to such materials, equipment, tools and supplies; and (iii) acceptance by RCTC; and

(c) Notwithstanding any such passage of title, DB Contractor shall retain sole care, custody and control of, and risk of loss with respect to, such materials, equipment, tools and supplies and shall exercise due care with respect thereto until Final Acceptance or until DB Contractor is removed from the Project.

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SECTION 16
WARRANTIES AND NONCONFORMANCES DURING THE WARRANTY PERIOD

16.1. DB Contractor Warranties

16.1.1. General Warranty

DB Contractor warrants that:

(a) All Design Work furnished under this Contract shall conform to Good Industry Practice and shall comply with the applicable requirements of this Contract;

(b) The Project and the Work shall be free of Nonconformances;

(c) Materials furnished by or on behalf of any DB-Related Entity under this Contract shall be of good quality and shall be new when installed;

(d) Equipment furnished by or on behalf of any DB-Related Entity shall be of modern design and in good working condition;

(e) The Work shall be free of Deviations unless approved by RCTC and shall meet all of the requirements and warranties of this Contract; and

(f) The Construction Work shall conform to Good Industry Practice and be fit for use for the purposes and requirements set out in this Contract.

16.1.2. Warranty Period

(a) Subject to Sections 16.1.2(b) and 16.1.2(c), the original Warranty Period during which the Project shall meet the General Warranty is as follows:

(i) For each element of the Project, except elements that will be owned by Persons other than RCTC and/or Department (e.g., Utility Owners and Local Agencies), the Warranty Period commences upon Project Completion and ends two years after the Project Completion Date; and

(ii) For each element of the Project that will be owned by Persons other than RCTC and/or Department (e.g., Utility Owners and Local Agencies), the Warranty Period commences upon acceptance of the element by the Person that will own such element and ends two years after such acceptance, or, in the case of Relocations, for such longer term required by the applicable Utility Agreement(s).

(b) For each element of the Project subject to Warranty Work, the Warranty Period for that element shall extend beyond the original Warranty Period, if necessary, to provide at least a two-year Warranty Period after acceptance of the Warranty Work; except that no Warranty Period shall exceed three years after the Project Completion Date.

(c) If this Contract is terminated for any reason prior to Substantial Completion, then a two-year Warranty Period shall apply to the elements of the Project completed or provided in accordance with the requirements of this Contract on or prior to such termination. For such elements, the Warranty Period shall commence upon the Termination Date and end two years after the Termination Date.

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(d) At the completion of the Warranty Period, DB Contractor shall assign and transfer to RCTC all unexpired warranties on equipment, materials or otherwise relating to the Work.

16.1.3. Nonconformances during the Warranty Period; Warranty Work

(a) Subject to Section 16.1.3(b), if RCTC determines within the applicable Warranty Period that any of the Work does not meet the General Warranty, DB Contractor shall perform the Warranty Work necessary to remedy such Work as specified in Section 16.1.3(b), even if performance of such Warranty Work extends beyond the applicable Warranty Period.

(b) To the extent applicable, the provisions in Sections 9.4 through 9.4.2 regarding notice and remedy of Nonconformances prior to Project Completion, shall apply to Warranty Work, except that if DB Contractor fails to remedy Nonconformances in accordance with Section 9.4, RCTC may, without limiting its rights under Section 18.11.2, make a claim under any Bond, or draw on any certificate of deposit, letter of credit, or other security provided by DB Contractor in accordance with this Contract to satisfy such amounts.

(c) RCTC and Department, and DB Contractor shall conduct a walkthrough of the Site prior to expiration of the applicable Warranty Period and produce a punch list of Nonconformances that require Warranty Work.

16.2. Subcontractor Warranties

16.2.1. Warranty Requirements

(a) Without in any way derogating the General Warranty and DB Contractor's own representations and warranties and other obligations with respect to the Work, DB Contractor shall obtain from all Subcontractors for periods at least coterminous with the Warranty Period and cause to be extended to RCTC and Department, appropriate representations, warranties, guarantees and obligations with respect to design, materials, workmanship, equipment, tools and supplies provided by such Subcontractors to comply with this Section 16.

(b) Subject to Section 16.2.1(c), DB Contractor shall cause Subcontractor warranties to be extended and enforceable by:

(i) RCTC and Department and any other parties for whom Work is being performed or equipment, tools, supplies or software is being supplied by such Subcontractor; and

(ii) Local Agencies and Utility Owners, with respect to those portions of the Work owned or controlled by each such Person, respectively provided such enforcement shall not exceed RCTC and Department's applicable rights under this Section 16.2.1(b).

(c) Section 16.2.1(b) shall not apply to standard, pre-specified manufacturer warranties of mass-marketed materials, products (including software products), equipment or supplies where the warranty cannot be extended to RCTC using commercially reasonable efforts. RCTC agrees to forebear from exercising remedies under any such warranty so long as DB Contractor is diligently pursuing remedies thereunder.

(d) All representations, warranties, guarantees and obligations of Subcontractors (i) shall be written so as to survive all RCTC and Department inspections, tests

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and approvals under this Contract, and (ii) shall run directly to and be enforceable by DB Contractor, Department and/or RCTC and their respective successors and assigns.

(e) DB Contractor assigns to RCTC and Department all of DB Contractor's rights and interest in all extended warranties DB Contractor receives from any of its Subcontractors for periods exceeding the applicable Warranty Period. To the extent that any Subcontractor warranty would be voided by reason of DB Contractor's negligence or failure to comply with this Contract in incorporating material or equipment into the Work, DB Contractor shall remedy such Nonconformance to preserve such Subcontractor warranty.

(f) Except with respect to extended warranties under Section 16.2.1(e) after expiration of the Warranty Period, if RCTC or Department provides Notice of a failure of any of the Work to satisfy any Subcontractor warranty, representation, guarantee, or obligation, DB Contractor shall enforce or perform any such representation, warranty, guaranty, or obligation for the duration of the applicable warranty (including correcting any Nonconformances).

16.3. No Limitation of Liability

(a) The General Warranty and Subcontractor warranties are in addition to all rights and remedies available under this Contract or Governmental Rule or in equity, and, subject to the limitation on punitive, indirect, incidental, or consequential damages in Section 26.2.1, shall not relieve DB Contractor of any liability or responsibility imposed by this Contract or Governmental Rule with respect to the Work, including liability for design defects, latent construction defects, strict liability, breach, negligence, willful misconduct or fraud.

(b) The fact that RCTC may not have discovered any Nonconformance prior to Final Acceptance shall not constitute an acceptance of such Nonconformances.

16.4. Damages for Breach of Warranty and Other Rights at Law / Equity

Subject to Section 26, RCTC and Department may pursue any remedies available at law or in equity against DB Contractor and the DB-Related Entities for (a) Nonconformances, including design defects and latent construction defects; and (b) breach of an express or implied warranty, Subcontractor warranty or the General Warranty, including the cost of performance of such obligations by others.

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SECTION 17
ACCEPTANCE

17.1. Coordination of Work with TSP

17.1.1. General Requirements for Work

(a) DB Contractor shall coordinate the performance of the Work with the TSP Work in accordance with TP Section 19, and shall allow TSP to install such facilities reasonably in advance of the Substantial Completion Deadline, as specified in this Section 17 and TP Section 19.

17.1.2. Coordination for Toll Package Turnover

(a) In its monthly progress reports and schedule updates, DB Contractor shall provide updates as to the anticipated date for each Toll Package Turnover.

(b) Commencing 180 days before the applicable Toll Package Turnover Deadline in the Project Schedule, DB Contractor shall provide RCTC and TSP separate, monthly Notices for each Toll Package Turnover. Each such Notice shall set forth the anticipated Toll Package Turnover Deadline and describe the anticipated turnover areas to be included in the applicable Toll Package Turnover ("**Turnover Areas**").

(c) DB Contactor may change the Turnover Area(s) to be included in each Toll Package Turnover up to, but no later than, 90 days before the applicable Toll Package Turnover Deadline.

17.1.3. Conditions for Toll Package Turnover; Inspection of Packages

(a) No Toll Package Turnover shall be effective until RCTC issues the applicable Certificate of Toll Package Turnover in accordance with this Section 17.1.3.

(b) DB Contractor shall provide RCTC and TSP not less than 14 days prior Notice of the date DB Contractor determines it will achieve each Toll Package Turnover.

(c) During this 14 day period:

(i) DB Contractor, RCTC, and TSP shall meet and confer on a regular and cooperative basis to exchange information, with the goal being orderly and timely inspection of the Work comprising the applicable Toll Package Turnover to determine whether the applicable Toll Package Turnover has been achieved; and

(ii) DB Contractor shall allow RCTC and TSP access to the portion of the Site comprising the applicable Turnover Package, but neither RCTC nor TSP shall perform the applicable Toll Package Turnover inspection until DB Contractor considers it has achieved Toll Package Turnover, including DB Contractor's own internal inspection and punch list, and delivers Notice under Section 17.1.3(d).

(d) DB Contractor shall provide RCTC with a second Notice when DB Contractor determines it has achieved each Toll Package Turnover.

(e) DB Contractor shall allow TSP and RCTC access to the portion of the Site comprising the applicable Toll Package Turnover for up to an additional ten Business Days

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after receipt of DB Contractor's second Notice indicating it has achieved Toll Package Turnover. During this ten Business Days period RCTC and TSP shall inspect the Work comprising the applicable Toll Package Turnover and its components and conduct such other investigations as may be necessary to evaluate whether DB Contractor achieved Toll Package Turnover.

(f) No later than 14 Days after RCTC receives DB Contractor's second Notice described in Section 17.1.3(d), RCTC shall (i) issue a Certificate of Toll Package Turnover, or (ii) provide Notice to DB Contractor listing the Work which, in RCTC's opinion, remains to be performed to achieve the Toll Package Turnover.

(g) If applicable, DB Contractor shall give Notice to RCTC when DB Contractor considers that the Work listed in a Notice issued by the RCTC under Section 17.1.3(f) has been completed, and Sections 17.1.3(d) through (f) will apply to such Notice in the same way as if it were the original Notice.

(h) If DB Contractor performs repairs to elements of the TCS Infrastructure damaged after the applicable Toll Package Turnover, the repair Work shall be subject to inspection by RCTC and TSP, and acceptance by RCTC. Accordingly, Sections 17.1.3(b) through (g) shall apply to the repair work as if it were part of the initial Toll Package Turnover.

17.2. Notification of Substantial Completion

(a) DB Contractor shall provide RCTC with at least 45 days' prior Notice of the date DB Contractor determines it will achieve Substantial Completion. During this 45 day period, DB Contractor and RCTC shall meet, confer, and exchange information on a regular and cooperative basis with the goal being RCTC's orderly, timely inspection and review of the Project, Final Design Documents, and Construction Documents, and RCTC's issuance of a Certificate of Substantial Completion.

(b) During this 45 day period, RCTC shall conduct one or more inspections of the Project and its components, a review of the Final Design Documents and Construction Documents and such other investigation as may be necessary to evaluate whether Substantial Completion is achieved. To facilitate RCTC's inspection of the Project, DB Contractor shall provide RCTC marked up copies of the Final Design Documents and Construction Documents to reflect changes made to the Project during construction and reflect the Project's as-built condition (e.g., draft As-Built Documents).

(c) DB Contractor shall provide RCTC a second Notice when DB Contractor determines it has achieved Substantial Completion.

(d) RCTC will then conduct such inspections, surveys and/or testing as it deems desirable. If such inspections, surveys and/or tests disclose that any of the Work does not meet the requirements of this Contract, RCTC, after consultation with Department, will promptly advise DB Contractor as to any Nonconformances in the Work necessary to be corrected as a condition to Substantial Completion and as to any Nonconformances which may be corrected as Punch List items. Upon correction of the Nonconformances identified as a prerequisite to Substantial Completion, DB Contractor shall provide Notice to RCTC, and RCTC will conduct additional inspections, surveys and/or testing as it deems desirable. This procedure shall be repeated until RCTC finds that all prerequisites to Substantial Completion have been met.

(e) Within 14 days after expiration of the 45 day period and RCTC's receipt of the second Notice described in Section 17.2(c), RCTC shall either: (a) issue the Certificate of Substantial Completion or (b) provide Notice to DB Contractor setting forth, why the Project has

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not reached Substantial Completion. If RCTC and DB Contractor cannot agree as to the date of Substantial Completion, such Dispute shall be resolved in accordance with Section 28.

17.3. Punch List

The Administrative Project Plans shall establish procedures and schedules for preparing a Punch List and completing Punch List work for each Toll Package Turnover and Substantial Completion. Such procedures and schedules shall conform to the following provisions:

(a) For each Toll Package Turnover and Substantial Completion, the schedule for preparation of the Punch List either shall be consistent and coordinated with the inspections regarding each Toll Package Turnover and Substantial Completion or shall follow such inspections;

(b) DB Contractor shall prepare and maintain the Punch List and shall deliver to RCTC not less than 14 days' prior Notice stating the date when DB Contractor will commence Punch List field inspections and Punch List preparation. RCTC and the Department will participate in the development of the Punch List. Each participant may add items to the Punch List, and none shall remove any item added by any other without the other's express permission. If DB Contractor objects to the addition of an item by RCTC or Department, the item shall be noted as included under protest, and if the Parties thereafter are unable to reconcile the protest, the Dispute shall be resolved according to the dispute resolution procedures in this Contract. DB Contractor shall deliver to RCTC a true and complete copy of the Punch List, including modifications, as soon as it is prepared; and

(c) DB Contractor shall immediately commence work on the Punch List items and diligently prosecute such work to completion, consistent with this Contract, within the time period in the Administrative Project Plans and in any case by the Project Completion Deadline.

17.4. Project Completion

17.4.1. Project Completion

(a) DB Contractor shall provide Notice to RCTC when it considers it has achieved Project Completion. Such Notice shall be accompanied by a certification from DB Contractor's Construction Quality Validation Manager, in form and substance satisfactory to RCTC, certifying conformity of the construction with the Design Documents.

(b) RCTC will issue a Certificate of Project Completion when it finds that (i) all conditions for Project Completion have been satisfied, and (ii) all Nonconformances that are prerequisites to Project Completion have been corrected.

17.4.2. Recordation of Notice of Project Completion

DB Contractor is advised that recordation of a notice of completion meeting the requirements of Civil Code section 8182, within 15 days after completion of all construction Work, has the effect of reducing the period for filing of stop payment notices and claims against the Payment Bond, under Civil Code sections 9356 and 9560. DB Contractor shall prepare a draft notice of completion and deliver it to RCTC at least ten Business Days prior to the scheduled date for completion of construction so that RCTC can record such notice. The notice shall: (a) identify RCTC as the Project owner as defined in Civil Code section 8188, (b) state that RCTC has been

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granted certain rights with respect to the Project in accordance with the Department Cooperative Agreement, (c) provide the names and addresses of the record owners of the improvements constructed under this Contract (i.e., Department, Local Agencies and Utility Owners), and (d) otherwise meet the requirements of Civil Code sections 8182 and 9200 et seq.

17.5. Final Acceptance

17.5.1. Conditions to Final Acceptance

(a) Promptly after Project Completion has occurred, DB Contractor shall perform all Work, if any, that was deferred for purposes of Final Acceptance and shall satisfy its other obligations under this Contract (other than completion of the obligation for Plant Establishment Work), so as to achieve Final Acceptance. When all of the foregoing has occurred, DB Contractor shall provide an executed sworn Affidavit of Final Acceptance to RCTC including the following statement:

> To the best of DB Contractor's knowledge and belief, except for Plant Establishment Work not yet performed, all Work under this Contract has been completed in strict accordance with this Contract, no lawful debts for labor or materials are outstanding and no federal excise tax has been included in the Contract Price; all requests for funds for undisputed work under this Contract, including changes in the Work, and under all billings of whatsoever nature are accurate, complete and final and no additional compensation over and above the final payment will be requested or is due under this Contract or under any adjustment issued thereunder for said undisputed work; there are no outstanding claims, Liens or stop payment notices relating to the Project or the Work, including claims by Utility Owners and Local Agencies, there is no existing default of RCTC's obligations under any Utility Agreement that are DB Contractor's responsibility in accordance with this Contract, and no event has occurred which, with the passing of time or giving of notice or both, would lead to a claim relating to the Work or an event of default under any Utility Agreement; and upon receipt of final payment, DB Contractor and Subcontractors acknowledge that RCTC and any and all employees of RCTC and their authorized representatives will thereby be released, discharged and acquitted from any and all claims or liability for additional sums on account of undisputed work performed under this Contract.

(b) If DB Contractor is unable to provide the affidavit in the above form as it relates to outstanding Claims, Liens or stop payment notices relating to the Project or the Work, the affidavit shall certify that all such outstanding matters are in an attached list which shall describe the outstanding matters in such detail as may be requested by RCTC. The affidavit shall include a representation of DB Contractor that it is diligently and in good faith contesting all such matters by appropriate legal proceedings and shall provide a status report regarding the same including an estimate of the maximum payable with respect to each such matter. RCTC may condition its acceptance of such affidavit in such form by requiring that DB Contractor post security or take other actions which, in RCTC's good faith discretion, will adequately protect RCTC and the Project against such outstanding matters.

17.5.2. Inspection and Issuance of Certificate of Final Acceptance

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(a) Upon receipt of Notice from DB Contractor that it has met all conditions to Final Acceptance, RCTC and Department will perform the final inspection with the final As-Built Documents in hand.

(b) Based on this final inspection RCTC will either issue a Certificate of Final Acceptance or provide Notice to the DB Contractor regarding any Work that remains to be performed. Final Acceptance is subject to concurrence by Department.

(c) If RCTC fails to issue a Certificate of Final Acceptance, DB Contractor shall promptly remedy the defective and/or uncompleted portions of the Work and shall give RCTC a revised Affidavit of Final Acceptance with a new date based on when the defective and/or uncompleted portions of the Work were corrected. The foregoing procedure shall apply successively thereafter until RCTC has given DB Contractor an executed Certificate of Final Acceptance.

17.5.3. No Relief from Liability

Final Acceptance will not prevent RCTC from correcting any measurement, estimate, or certificate made before or after completion of the applicable Work, nor shall it prevent RCTC from recovering from DB Contractor, any Guarantor, the Surety(ies), or other provider of performance security or any combination of the foregoing, overpayment sustained for failure of DB Contractor to fulfill the obligations under this Contract. A waiver on the part of RCTC of any breach of any part of DB Contractor is not a waiver of any other or subsequent breach. Final Acceptance shall not relieve DB Contractor from any of its continuing or surviving obligations under this Contract, including Warranty obligations.

17.6. Opening Sections of Project to Traffic; Plan for Opening to Traffic

(a) The Project Schedule shall set forth DB Contractor's plan for completing Segments of the Project and opening them to traffic. RCTC may request that DB Contractor expedite certain Segments of the Project, and DB Contractor shall accommodate such requests to the extent that it can do so in consideration of safety to the public and construction personnel and without significant disruption to its schedule or a significant increase in its costs.

(b) Notwithstanding Section 17.6(a), if RCTC orders DB Contractor to open portions of the Project to traffic which cannot be accommodated without significant disruption to DB Contractor's schedule or a significant increase in DB Contractor's costs, such direction shall be considered an RCTC-Directed Change provided that DB Contractor has provided RCTC Notice and otherwise followed the process for RCTC-Directed Changes in Section 21.

17.6.2. Direction to Open Following DB Contractor Failure to Perform

If DB Contractor is delinquent in completing outside tie-in work, drainage structures or other features of the Work, and is not compliant with the applicable traffic opening date(s) set forth in the Project Schedule, RCTC may order all or a portion of the Project opened to traffic notwithstanding such incomplete elements. DB Contractor shall then conduct the remainder of the construction operations, minimizing obstruction to traffic. Except as provided in Section 17.6, DB Contractor shall not receive any compensation, time or otherwise make any Claim due to the schedule impacts attributable to the opening of the Project to traffic.

17.6.3. No Waiver

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Opening of portions or segments of the Project prior to Final Acceptance does not constitute acceptance of the Work, or constitute Substantial Completion, Project Completion, or Final Acceptance or waive any provisions of or any of RCTC's rights under this Contract.

17.7. Expiration of Plant Establishment Period

Expiration of the Plant Establishment Period shall be deemed to have occurred when DB Contractor has fully satisfied the obligation for the Plant Establishment Work in accordance with the requirements of TP Section 20.4.5.2 and is subject to concurrence by Department.

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SECTION 18
PAYMENT FOR SERVICES

18.1. Payments for Phase 1

RCTC will pay DB Contractor for completed Phase 1 Work as follows:

(a) The portion of the Lump Sum (Phase 1) allocable to the Work actually performed by DB Contractor in accordance with this Contract during the month, and due in accordance with the most recent Monthly Progress Schedule, as of the date of the most recent Progress Meeting; plus

(b) Premiums for Bonds and insurance associated with Phase 1 in accordance with Section 18.3; plus

(c) Upon RCTC's acceptance of the Phase 1 Work, any unpaid portion of the Lump Sum (Phase 1),

provided the sum of the amounts invoiced under this Section 18.1 may not exceed the Total Lump Sum (Phase 1) for the Phase 1 Work.

18.2. Payments for Phase 2

If RCTC issues NTP Phase 2, RCTC will pay DB Contractor for completed Phase 2 Work as follows:

(a) Monthly progress payments of the Cost of the Work (including amounts charged to the Cost of the Work Contingency), based on the value of the Phase 2 Work carried out during that month, as shown in the Monthly Progress Report; plus

(b) The monthly portion of the Fixed General Conditions Cost, prorated based on the percentage of the total Cost of the Work for Phase 2 incurred during that month, as described in Section 18.7; plus

(c) The monthly portion of the DB Contractor's Markup (Phase 2), prorated based on the percentage of the total Cost of the Work for Phase 2 incurred during that month, provided that profit shall not be applied by Lead Engineering Firm to any Cost of the Work related to second-tier engineering subconsultants; plus

(d) Premiums for Bonds and insurance associated with Phase 2 in accordance with Section 18.3,

provided the sum of the amounts invoiced under this Section 18.2 may not exceed the GMP (Phase 2) for Phase 2 Work or a Package.

18.3. Payment for Bonds and Insurance

18.3.1. RCTC shall reimburse DB Contractor for bond and insurance premiums actually paid, without DB Contractor Markup or other markup, not to exceed the amounts stated in the Contract Particulars.

18.3.2. Any additional bond and insurance premiums with respect to Work performed under a Change Order (whether it is a reduction or increase) will be paid on

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the basis of the amount actually paid, without DB Contractor Markup or other markup and not to exceed the amount set out in the Contract Particulars.

18.3.3. DB Contractor shall invoice the amounts specified in Section 18.3.1 only in the following (or subsequent) invoices:

(a) The first invoice following NTP Phase 1, for the insurance premiums actually paid, without DC Contractor Markup or other markup for Phase 1, not to exceed the amounts stated in the Contract Particulars; and

(b) The first invoice following NTP Phase 2, for the portion of the insurance premiums actually paid, without DB Contractor Markup or other markup for Phase 2, not to exceed the amounts stated in the Contract Particulars.

18.3.4. With each invoice for payment of bond or insurance premiums, DB Contractor shall submit to RCTC receipts or other documentation required by RCTC as to the amount paid.

18.3.5. DB Contractor shall not be entitled to be paid for any difference between the not-to-exceed amounts stated in the Contract Particulars and the amounts payable under Section 18.3.1.

18.4. Allowance Items Allowance Values

18.4.1. The Parties shall:

(a) Collaborate in good faith to review the Allowance Items and Allowance Values based on design information then available to determine Allowance Values that constitute reasonable estimates for the associated Allowance Items; and

(b) Collaborate in good faith during design preparation to develop Construction Documents consistent with the Allowance Values.

18.4.2. For each Allowance Item, the RCTC Representative will give DB Contractor a Notice either deleting that Allowance Item from this Contract or requiring DB Contractor to proceed with the relevant Allowance Item (before DB Contractor may perform and receive compensation for the Allowance Item).

18.4.3. If any Allowance Item is deleted from this Contract:

(a) The applicable Lump Sum (Phase 1) or the GMP (Phase 2) will be reduced by the Allowance Value; and

(b) RCTC may engage an Other RCTC Contractor to carry out the Allowance Item or perform that Allowance Item itself.

18.4.4. All other costs, including design fees and any general conditions or overhead Cost, are deemed to be included in the applicable Lump Sum (Phase 1) or GMP (Phase 2) as provided in the Contract Particulars and are not subject to adjustment, regardless of the actual costs of the Allowance Item.

18.4.5. Subject to Section 18.4.6, if an Allowance Item's actual cost differs from the stated Allowance Value, then the applicable Lump Sum (Phase 1) or GMP

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(Phase 2) shall be adjusted accordingly by Change Order; provided, however, that DB Contractor shall submit to RCTC Notice of the difference between the actual cost and the Allowance Value.

18.4.6. If an Allowance Item's actual cost is less than the stated Allowance Value, RCTC may (in its sole discretion) authorize DB Contractor by Notice to allocate any unused amount to another existing Allowance Item in the same Phase.

18.5. Lump Sum Amounts

18.5.1. RCTC and DB Contractor may negotiate a Lump Sum amount for specific scopes of the Work ("Lump Sum Scope of Work") for incorporation into the Project Specific Information (Phase 2) or documentation through a Change Order.

18.5.2. Any agreement regarding a Lump Sum Scope of Work shall include the following information:

(a) A description of the Lump Sum Scope of Work;

(b) An updated Schedule of Values that incorporates the Lump Sum amount; and

(c) Any milestone dates or deadlines associated with the Lump Sum Scope of Work.

18.5.3. For each Lump Sum Scope of Work, DB Contractor shall be compensated pursuant to the Schedule of Values based on the percentage of the Lump Sum Scope of Work that has been completed.

18.5.4. DB Contractor shall not request reimbursement for costs subject to the Lump Sum amount, unless those costs are identified in an invoice as being subject to the Lump Sum amount.

18.5.5. The agreed Lump Sum amount for a Lump Sum Scope of Work may only be modified via a Change Order.

18.6. Contingencies in Subcontracted Work

18.6.1. DB Contractor acknowledges and agrees that each Subcontractor engaged to perform Work on a Lump Sum basis:

(a) Is deemed to have included in its Lump Sum all costs for all Work that may be required of such Subcontractor, except for any Change due to a Relief Event or Change Order directed by RCTC; and

(b) Will not be entitled to any increase in the Lump Sum or to make any other Claim against RCTC arising in connection with any Change in the scope of that Subcontractor's portion of the Work from that anticipated by the Subcontractor when it proposed its Lump Sum, except for any additional Work due to a Relief Event or Change Order directed by RCTC.

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18.6.2. DB Contractor shall ensure that the foregoing terms are reflected in the terms of each relevant Approved Subcontract Agreement.

18.7. Calculation of Fixed General Conditions Cost

18.7.1. All Fixed General Conditions Costs shall be established in accordance with this Section 18.7 and Exhibit 11 (Cost Schedule).

18.7.2. After issuance of NTP Phase 2, and provided RCTC (in its sole discretion) accepts the Fixed General Conditions Costs proposed in the Phase 2 Proposal:

(a) DB Contractor shall no longer be reimbursed for any portion of the Cost of the Work included in the Fixed General Conditions Costs and Exhibit 11 (Cost Schedule) shall be amended to reflect such change as part of the Phase 2 Amendment;

(b) DB Contractor's sole compensation for the costs identified in Section 2.3 of Exhibit 11 (Cost Schedule) shall be through payment of the Fixed General Conditions Costs; and

(c) The Fixed General Conditions Costs shall not be modified for any reason, except where DB Contractor is entitled to compensation for a RCTC-Caused Delay or Change in Law that qualifies as a Compensable Event in accordance with Section 21.7; and

(d) Any modification to the Fixed General Conditions Costs permitted under Section 18.7.2(c) shall be calculated as provided in Section 21.6.2(a)(ii).

18.8. Cost of the Work Contingency

18.8.1. Contingencies are available during Phase 2 for DB Contractor's exclusive use for the unanticipated costs provided in this Section 18.8, which DB Contractor has incurred, and which are not the basis for a Change Order under this Contract.

18.8.2. Any GMP agreed by the Parties in accordance with this Contract shall include the Cost of the Work Contingency.

18.8.3. The "**Cost of the Work Contingency**" is reimbursed as Cost of the Work and shall include appropriate contingency for all risks allocated to DB Contractor under this Contract. The Cost of the Work Contingency is available to DB Contractor for any items that constitute Cost of the Work, including:

(a) Trade buy-out differentials;

(b) Escalation of materials, labor, or equipment;

(c) Overtime or acceleration;

(d) Costs incurred by DB Contractor in repairing or correcting Nonconformances (excluding any Warranty Work or corrective Work performed after Final Phase 2 Acceptance), provided that such Nonconformance was beyond DB Contractor's reasonable control or caused by the ordinary mistakes or inadvertence, and not the negligence of any DB Contractor-Related Entity or any DB Contractor Fault; and

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(e) Subject to Section 18.9.3(d), Subcontractor or other tier defaults (including incorrect or incomplete Work), to the extent not compensated by any surety or bond and provided that Work was beyond DB Contractor's reasonable control or caused by the ordinary mistakes or inadvertence, and not the negligence of any DB Contractor-Related Entity or any DB Contractor Fault.

18.8.4. RCTC may, in its sole discretion, approve other costs that may be reimbursed under a Contingency.

18.8.5. DB Contractor shall be reimbursed for Cost of the Work Contingency in the same manner as the Cost of the Work, provided that:

(a) DB Contractor's compensation for the Cost of the Work Contingency shall not cumulatively exceed the applicable amount in the Contract Particulars without a written Change Order;

(b) DB Contractor shall not be entitled to any increase in the DB Contractor's Markup (Phase 2) for items reimbursed as part of the Cost of the Work Contingency; and

(c) DB Contractor shall not be entitled to use the Cost of the Work Contingency for payment of Liquidated Damages, Lane Closure Charges or any other damages under this Contract.

18.8.6. Before the final accounting, no Cost of the Work Contingency are available to RCTC for any reason, including changes in scope or any other item which would enable DB Contractor to increase a GMP under this Contract.

18.8.7. DB Contractor shall provide RCTC Notice of all anticipated charges against the Cost of the Work Contingency and shall provide RCTC as part of the monthly report an accounting of the Cost of the Work Contingency, including all reasonably foreseen uses or potential uses of the Cost of the Work Contingency in the upcoming three months.

18.8.8. DB Contractor agrees that:

(a) With respect to any expenditure from the Cost of the Work Contingency relating to a Subcontractor default or an event for which insurance or bond may provide reimbursement, DB Contractor will in good faith exercise reasonable steps to obtain performance from the Subcontractor and/or recovery from any surety or insurance company;

(b) If DB Contractor is subsequently reimbursed for any such expenditure from the Cost of the Work Contingency, then such amounts will be credited back to the applicable Cost of the Work Contingency;

(c) DB Contractor may only utilize the Cost of the Work Contingency to cover such costs if both (i) the Cost of the Work Contingency has not already been expended, and (ii) the cost is incurred before Final Acceptance; and

(d) DB Contractor may not use the Cost of the Work Contingency for items or costs that arise as a result of the negligence of any DB Contractor-Related Entity or any DB Contractor Fault or that are covered by the DB Contractor's Markup or the Fixed General Conditions Cost.

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18.9. Unit Prices

Unit prices shall be determined as set out in the Modified Standard Specifications.

18.10. Draft Invoice and Progress Schedule Invoice Meeting

(a) On or before the 25th day of each month following the issuance of NTP Phase 1, DB Contractor shall deliver to RCTC a draft invoice for that month ("**Draft Invoice**"), or other RCTC-approved form, including:

(i) With respect to Phase 1, separate amounts (if any) claimed for Phase 1 on account of:

(1) The monthly portion of the Lump Sum (Phase 1), prorated based on the percentage of completion of the Project Schedule activities and the values distributed to such Phase 1 Work activities which has been incurred during that month, as shown in the Monthly Progress Report); and

(2) Premiums for Bonds and insurance, if applicable under Section 18.3;

(ii) With respect to Phase 2, separate amounts (if any) claimed for Phase 2 on account of:

(1) Cost of the Work (including amounts payable to the Cost of the Work Contingency) payable to:

a.Subcontractor(s); and

b.DB Contractor.

(2) DB Contractor Markup;

(3) Fixed General Conditions Cost;

(4) Lump Sum Scopes of Work;

(5) Premiums for Bonds and insurance if applicable under Section 18.3; and

(6) All other amounts then payable by RCTC to DB Contractor under this Contract.

(iii) The Monthly Progress Report described in TP Section 2.5.3;

(iv) An Invoice Certificate certified by DB Contractor, signed and sealed by the DB Contractor Representative, with no additions or deletions other than those approved by RCTC;

(v) In the case of amounts to be paid on a unit price basis, invoices, receipts or other evidence establishing the number of units delivered and any other items required by the Modified Standard Specifications;

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(vi) In the case of amounts invoiced for Time and Materials Work or Phase 2 Work, all supporting documentation described in Section 21.11;

(vii) The amounts paid to Subcontractors (including Suppliers) from the payments made by RCTC to DB Contractor with respect to the prior month's invoice;

(viii) Affidavits of payment and unconditional waivers of Liens and claims, in the applicable forms required under Civil Code sections 8132 and 8138, executed by DB Contractor and each Subcontractor with respect to all amounts paid in the prior month's invoice;

(ix) In the case of invoices that cover Utility Work, documentation as required by TP Section 7.2.7.2. Such invoices shall also separately identify the total amount due for (a) Utility Betterments, and (b) any other Work for which the Utility Owner has Cost Liability;

(x) Subcontractor payment releases in the form required in Civil Code sections 8132 through 8138;

(xi) Documentation showing that materials being invoiced meet or exceed the applicable requirements of the Quality Management Plan (e.g., sampling/testing frequency, Buy America Certification, etc.);

(xii) A current, up-to-date Project Schedule;

(xiii) A current, up-to-date Schedule of Values for any Lump Sum Scope of Work;

(xiv) Any other Submittals that this Contract require to be included with invoice packages;

(xv) Any amounts otherwise payable in accordance with this Contract;

(xvi) All materials, reports, schedules, certifications and other submittals identified in TP Sections 2.5.3 and 4.3; and

(xvii) Sufficient details, calculations, receipts, supporting documentation and other information on an Open Book Basis with respect to all amounts claimed by DB Contractor:

(1) To enable the RCTC Representative to fully and accurately determine (without needing to refer to any other documentation or information) the amounts then payable by RCTC to DB Contractor under this Contract; and

(2) Including any such documentation or information which the RCTC Representative may by written notice from time to time require DB Contractor to set out or attach, whether in relation to a specific invoice or all invoices generally.

(b) Each Progress Schedule Invoice Meeting shall be attended by DB Contractor and RCTC and/or its consultants and may also be attended by Department.

(c) At each Progress Schedule Invoice Meeting, DB Contractor's and the RCTC Representatives shall:

(i) Ascertain the progress of the Work;

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(ii) Review the Draft Invoice reflecting the value of Work completed as of the date of the Progress Schedule Invoice Meeting based on:

(1) Quantities and unit prices for unit priced Work;

(2) Time and materials for Time and Materials Work or Phase 2 Work; and

(3) For all other Work, based on the percentage completion of Project Schedule activities and the values distributed to such activities.

(iii) Sign the Draft Invoice, indicating the portions of it that have been approved and the proposed total payment amount, which shall be the approved value of the Work then completed, based on the factors in Section 18.10.1(c)(ii), less Retainage and progress payments previously made.

(d) If DB Contractor fails to submit the Monthly Progress Report by the time required under Section 18.10.1(a), RCTC may, in addition to any other withholdings, withhold up to 5% from each progress payment until RCTC receives the Monthly Progress Report.

18.10.2. Delivery of Invoice

(a) Within seven days after each Progress Schedule Invoice Meeting, DB Contractor shall submit to RCTC an electronic copy of an updated Invoice. Each Invoice shall be based upon the Draft Invoice signed under Section 18.10.1(c)(iii) and may not include any amounts not approved by RCTC in the Progress Schedule Invoice Meeting reviewing the Draft Invoice, except for modifications as appropriate to account for unit priced, and for Time and Materials Work completed during the remainder of the Month.

(b) DB Contractor acknowledges that RCTC will obtain funding for portions of the Work from various sources and agrees to segregate billings for all such Work in a format reasonably requested by RCTC and with detail and information as reasonably requested by RCTC.

(c) Within 14 days after RCTC's receipt of the Invoice under Section 18.10.2, RCTC:

(i) Will review the Invoice for consistency with the Draft Invoice signed under Section 18.10.1(c)(iii) and compliance with this Contract;

(ii) Shall provide Notice to DB Contractor of the amount approved for payment and specify the reason for disapproval of any remaining amounts in the Invoice; and

(iii) DB Contractor may include any disapproved amounts under Section 18.10.2(c)(iii) in the next month's Draft Invoice and Invoice (as applicable) after correction of the deficiencies noted by RCTC (all such disapproved amounts shall be deemed in dispute unless otherwise agreed).

18.10.3. Payment by RCTC

(a) Within 30 days after RCTC's receipt of a complete Invoice under Section 18.10.2 or Application for Final Payment in accordance with Section 18.12, RCTC shall approve or dispute all or a portion of such Invoice or Application for Final Payment. RCTC shall pay DB Contractor the undisputed amount of the Invoice or Application for Final Payment approved

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for payment less any applicable Retainage and less any amounts that RCTC is otherwise entitled to withhold or deduct under this Contract.

(b) For Work authorized by NTP Phase 1, RCTC has no obligation to pay DB Contractor any amount that would result in aggregate payments for Work authorized by NTP Phase 1 that exceed the Lump Sum (Phase 1).

(c) For Work authorized by NTP Phase 2, RCTC has no obligation to pay DB Contractor any amount that:

(i) Results in payment for any activity in excess of the value of the activity times the completion percentage of such activity (for non-unit priced Work);

(ii) Was not approved by RCTC under Section 18.10.2(c); or

(iii) Results in aggregate payments under this Contract in excess of the overall completion percentage for the Project multiplied by the GMP (Phase 2) (for non-unit priced Work), plus amounts allowed by Change Orders.

18.11. Deductions, Exclusions and Limitations on Payment

18.11.1. Retainage

(a) RCTC shall withhold funds ("**Retainage**") from each payment to be made to DB Contractor under this Contract as follows:

(i) during Phase 1 until DB Contractor achieves Phase 2 Approval or any earlier Early Termination Date, the Retainage shall be an amount equal to 5% of the payment amount for the Phase 1 Work; and

(ii) during Phase 2 until the Early Termination Date, the Retainage shall be an amount equal to 5% of the payment amount for the Phase 2 Work.

(b) Except as otherwise provided in Section 18.11.1(d), the earliest dates for release of Retainage are as follows:

(i) Retainage for Phase 1 Work, 30 days after achievement of Phase 2 Approval or any earlier Early Termination Date; and

(ii) Retainage for Phase 2 Work, as follows: (A) 50% of the Retainage 30 days after RCTC approves Project Completion; and (B) the remaining 50% of the Retainage 60 days after RCTC approves Final Acceptance.

(c) Except as otherwise provided in Section 18.11.1(d), no portion of the Retainage shall be released until the following conditions have been met:

(i) All Liquidated Damages and Lane Closure Charges have been paid to RCTC in accordance with this Contract;

(ii) DB Contractor has established to RCTC's satisfaction that Liquidated Damages and Lane Closure Charges are not anticipated to be owing to RCTC;

(iii) DB Contractor has provided Notice requesting release or Retainage;

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(iv) No Event of Default has occurred or remains uncured, and no event has occurred that, with the passage of time or the giving of notice, would constitute an Event of Default; and

(v) Release of the applicable Retainage has been approved in writing by each Surety.

(d) RCTC shall release Retainage withheld for Work completed by any Subcontractor, once per fiscal quarter upon receipt of a quarterly application from DB Contractor (i) stating the Subcontractor has satisfactorily completed all Work required to be performed under its Subcontract, (ii) stating the amount withheld by DB Contractor under the Subcontract, and (iii) providing all backup information and stop payment notice and Lien releases as may be required by RCTC.

(e) Within seven days after receipt of payment of Retainage from RCTC to DB Contractor for completed subcontracted Work, DB Contractor shall pay to the applicable Subcontractor (i.e., the Subcontractor that completed the subcontracted Work) all moneys withheld as retention from the Subcontractor, even if Work to be performed by DB Contractor or other Subcontractors is not completed and has not been accepted. DB Contractor must show good cause and obtain RCTC's prior written consent for any delay or postponement in payment of retainage over 30 days.

(f) The amounts to be released under Section 18.11.1(b) shall be reduced by 150% of the sum of (i) any amounts which RCTC is required to retain under Public Contract Code section 7107 or 9203, (ii) amounts applied to the payment of Losses incurred by RCTC for which DB Contractor is responsible, (iii) amounts that RCTC deems advisable, in its good faith discretion, to retain to cover any existing or threatened claims, Liens and stop payment notices from Subcontractors, Suppliers, laborers, Utility Owners, or other third parties relating to the Project, (iv) the estimated cost, as determined by RCTC, in its good faith discretion, of remedying any Nonconformances or otherwise remedying any breach of contract or Event of Default by DB Contractor, (v) amounts RCTC is required to retain under applicable federal law, including 26 U.S.C. § 3402, and (vi) any Liquidated Damages or Lane Closure Charges.

(g) Final payment of Retainage not applied as a result of Section 18.11.1(f) shall be made upon DB Contractor's showing, to RCTC's satisfaction, that all such matters have been resolved, and DB Contractor shall deliver to RCTC a certificate representing that there are no outstanding Claims of DB Contractor or any Claims, Liens or stop payment notices of any Subcontractor, Supplier, laborer, Utility Owner or other third party with respect to the Work.

(h) RCTC shall release payment for Plant Establishment Work in accordance with Section 18.11.6.

(i) DB Contractor may substitute securities or a letter of credit for the Retainage in accordance with the procedures contained in Public Contract Code section 22300. No such substitution shall be accepted until: (i) RCTC approves such securities or letter of credit as qualifying substitutes; (ii) the value of such securities has been established to RCTC's satisfaction; (iii) the Parties have entered into an escrow agreement (if the securities are to be held in escrow) in form substantially similar to that contained in Public Contract Code section 22300; (iv) and all documentation necessary for assignment of the securities to RCTC or to the escrow agent, as appropriate, has been delivered in form and substance satisfactory to RCTC. If DB Contractor has substituted securities for any of the Retainage, then RCTC may request that such securities be revalued from time to time, but not more often than monthly. Such revaluation would be made by the Person designated by RCTC and approved by DB Contractor. If such revaluation

results in a determination that such securities have a market value less than the amount of Retainage for which they were substituted, then, notwithstanding anything to the contrary contained in this Contract, the amount of the Retainage required under this Contract shall be increased by such difference in market value. Such increased Retainage shall be withheld from the next progress payment due to DB Contractor under this Contract.

18.11.2.Withholding of Payment

(a) Notwithstanding any other provision of this Contract and in addition to the deductions provided for under Section 18.11.1, RCTC may deduct from any payment owing under this Contract:

(i) Any debt, charge, payment, reimbursement or other moneys due from DB Contractor to RCTC, whether under this Contract, under applicable Governmental Rules or in equity, including Liquidated Damages and Lane Closure Charges that have accrued as of the date of the Invoice or Application for Final Payment, or that are anticipated to accrue based on the Completion Deadlines shown in the Project Schedule;

(ii) Any Claim that RCTC or others as specified below may have against DB Contractor including:

(1) Failure of DB Contractor to make payments of undisputed amounts to a Subcontractor when such payments are due under the Subcontract, which failure is not cured by DB Contractor; and

(2) Third Party Claims for which DB Contractor is responsible under this Contract.

(iii) If a notice to stop payment is filed with RCTC, due to DB Contractor's failure to pay for labor or materials used in the Work, money due for such labor or materials, plus the 25% prescribed by law, will be withheld from payment to DB Contractor. In accordance with Civil Code section 9364, RCTC may accept a bond by a corporate surety in lieu of withholding payment;

(iv) Any sums expended by or owing to RCTC as a result of DB Contractor's failure to maintain the As-Built Documents;

(v) Any sums expended by RCTC in performing any of DB Contractor's obligations under this Contract that DB Contractor has failed to perform or that RCTC may elect to undertake itself plus an administrative charge equal to 10% of such costs;

(vi) Any sums for a Change Order that decreases, omits, deletes or removes Work;

(vii) Any sums for Nonconformances that are not timely remedied by DB Contractor in accordance with the terms of this Contract; and

(viii) All legally required sums for, but not limited to stop notices, labor and tax Liens, including any fines or penalties RCTC or Department incurs because of the failure or alleged failure by any DB-Related Entity to comply with the Governmental Approvals or Governmental Rules (including any Environmental Laws).

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(b) The failure by RCTC to deduct any of these sums from any payment shall not constitute a waiver of RCTC's rights (i) to such sums or (ii) with respect to any breach or default related thereto. When the reasons for deducting, offsetting or withholding payment are removed, RCTC shall pay DB Contractor for amounts previously deducted as part of the next monthly payment.

18.11.3.Interest

(a) Any amounts that DB Contractor owes to RCTC under this Contract shall earn interest from the date such amounts are due to RCTC at the lesser rate of (i) 10% per annum, and (ii) the maximum rate allowable under applicable Governmental Rules.

(b) Except with respect to Claims under Section 28, if payment of any undisputed amount from RCTC to DB Contractor is made after the 30th day following the proper submission of an undisputed and properly complete Invoice, then the payment shall include interest on the amount owing, at the rate in Code of Civil Procedure section 685.010(a), from the 30th day after the payment was due until the date of payment.

(c) Except with respect to any monies held in an escrow account where Retainage is held, interest shall not accrue on Retainage or monies withheld in accordance with stop notices or the final payment.

18.11.4.Unincorporated Materials

RCTC will not pay for materials not yet incorporated in the Work unless the following conditions are met:

(a) Material shall be delivered to the Site or delivered to DB Contractor and promptly stored by DB Contractor in bonded storage at a location approved by RCTC, in its reasonable discretion. DB Contractor shall submit certified bills for such materials with the Invoice, as a condition to payment for such materials. RCTC shall allow and pay only such portion of the amount represented by these bills as in its opinion is consistent with the reasonable cost of such materials. If such materials are stored at any site not approved by RCTC, DB Contractor shall accept responsibility for and pay all personal and property taxes that may be levied against RCTC by any state or subdivision thereof on account of such storage of such material. RCTC will permit DB Contractor, in good faith, to contest the validity of any such tax levied against RCTC in appropriate proceedings and in the event of any judgment or decree of a court, DB Contractor agrees to pay same together with any penalty or other costs, relating thereto.

(b) DB Contractor shall promptly execute, acknowledge and deliver to RCTC proper bills of sale or other instruments in writing in a form acceptable to RCTC conveying and assuring to RCTC title to such material included in any Invoice, free and clear of all Liens, as and when title passes under Section 15.3 for any materials delivered to Site. DB Contractor shall conspicuously mark such material as the property of RCTC, shall not permit such materials to become commingled with non-RCTC-owned property and shall take such other steps, if any, as RCTC may require or regard as necessary to vest title to such material in RCTC free and clear of Liens.

(c) Material included in an Invoice, but which is subsequently lost, damaged or unsatisfactory shall be deducted from succeeding Invoices.

(d) Payment for material provided and delivered as indicated in this Section 18.11.4 will not exceed the amount paid by DB Contractor as evidenced by a bill of sale

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supported by the paid Invoice. RCTC shall withhold Retainage from such payment as specified in Section 18.11.1.

18.11.5.Payment for As-Built Documents

DB Contractor shall not be entitled to payment for the last 0.50% of the GMP (Phase 2) until As-Built Documents have been delivered to RCTC and approved by RCTC.

18.11.6.Payment for Plant Establishment Work

RCTC shall retain from payment to DB Contractor an amount equal to $200,000 until the end of the Plant Establishment Period and RCTC's receipt of a certification from DB Contractor representing that there are no outstanding Claims of DB Contractor or any claims, Liens or stop payment notices of any Subcontractor, Supplier, laborer or third party with respect to the Plant Establishment Work.

18.11.7.Payment for Equipment

RCTC shall not pay for direct costs of equipment. Costs of equipment, whether new, used, or rented, shall be allocated to and paid for as part of the activities with which the equipment is associated.

18.11.8.DB Contractor Payment for Department Furnished Materials

DB Contractor shall pay RCTC for all Department furnished materials in accordance with Section 6-1.02 of Exhibit 5 (Modified Standard Specifications).

18.12. Final Payment for Phase 2 Work

18.12.1. Final Payment for all Phase 2 Work, other than Plant Establishment Work, shall not become due to DB Contractor under this Contract until (i) all conditions to Final Acceptance under this Contract have been satisfied and (ii) DB Contractor submits to RCTC the Application for Final Payment showing the proposed total amount due to DB Contractor, including Retainage.

18.12.2. The Application for Final Payment shall include:

(a) All requirements for Invoices under Section 18.10;

(b) A list of all outstanding or pending DB Contractor Change Requests and all existing or threatened claims, Liens and stop payment notices by Subcontractors, Utility Owners, or other third parties relating to the Project, including any notices filed or to be filed with the Affidavit of Final Acceptance, stating the amount at issue associated with each such notice;

(c) Complete and legally effective releases or waivers of Liens and stop payment notices, in the applicable forms required under Civil Code sections 8132 through 8138, from all Persons legally eligible to file Liens and stop payment notices in connection with the Work; except that, as applicable, DB Contractor may provide release bonds, or other security acceptable to RCTC, in amounts equal to 125% of amounts claimed in any stop payment notices filed in connection with the Project;

(d) Consent of any Guarantors and Surety(ies) to the Final Payment;

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(e) An executed release from DB Contractor for any Claims that arise in connection with the Work that survives the Final Payment, including an express and unconditional waiver and release sufficient to waive any rights and benefits DB Contractor may have in accordance with section 1542 of the Civil Code, which shall release and waive any Claims against the Indemnified Parties, excluding only those matters identified in any Change Notices listed as outstanding in the Application for Final Payment and any Claims for unpaid amounts owing under this Contract relating to Plant Establishment Work and Warranty Work. The release shall be accompanied by an affidavit from DB Contractor certifying that:

(i) All Work has been performed in accordance with this Contract;

(ii) It has resolved any Claims made by Subcontractors, Utility Owners and others against DB Contractor or the Project;

(iii) It has no reason to believe that any Person has a valid Claim against DB Contractor or the Project which DB Contractor has not provided Notice to RCTC as of the date of the certificate; and

(iv) All guarantees, the General Warranty and Subcontractor warranties are in full force and effect.

(f) Bills of sale or other instruments of title transfer or assignment with respect to Intellectual Property (excluding Proprietary Intellectual Property), as requested by RCTC, free and clear of liens, claims and encumbrances;

(g) Bills of sale or other instruments of title transfer or assignment with respect to the items specified in clause (d) of the definition of Final Acceptance.

(h) Affidavits of prevailing wages paid, signed and submitted by DB Contractor and each Subcontractor required to submit such an affidavit under Labor Code section 1775(b)(4) in the form required under Governmental Rules or Project Standards;

(i) Assignment to RCTC of all right, title and interest in and to all claims and causes of action it might have under section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2 (commencing with section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, equipment, hardware, software or materials in accordance with this Contract or any Subcontract; and

(j) Such other supporting documentation to enable RCTC to fully an accurately determine (without needing to refer to any other documentation or information) the amounts payable by RCTC to DB Contractor, including any information reasonably requested by RCTC.

18.12.3. DB Contractor Change Requests filed concurrently with the Application for Final Payment must otherwise be timely and meet all requirements under Section 21 and are subject to Section 19.

18.12.4. If the Application for Final Payment lists any existing or threatened Claims, Liens and stop payment notices of Subcontractors, Suppliers, laborers, Utility Owners or other third parties against DB Contractor, RCTC or the Project, or if any is thereafter filed, RCTC may withhold from payment such amount as RCTC deems advisable to cover any amounts owing or which may become owing to RCTC by DB Contractor, including costs to complete or remediate

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uncompleted Work or Nonconformances, and 125% of the amount of any existing or threatened Claims, Liens and stop payment notices of Subcontractors, Suppliers, laborers, Utility Owners, and other third parties against DB Contractor, RCTC or the Project.

18.12.5. RCTC will review DB Contractor's proposed Application for Final Payment as if it were an Invoice under Section 18.10.2 except that any changes or corrections, including deductions described in Section 18.11.2 or 18.12.4, will be forwarded to DB Contractor for correction within 20 Business Days. Any changes or corrections made in accordance with this Section 18.12.5 will be reflected in an updated monthly payment schedule showing the net amount owed to DB Contractor by month.

18.12.6. DB Contractor's acceptance of Final Payment for the Work shall constitute a waiver of all Claims by DB Contractor, known or unknown, suspected or unsuspected, except those previously made in writing and identified as unsettled at the time of submission of the Application for Final Payment for the Work and Claims which DB Contractor may be entitled to assert against RCTC with respect to indemnities under this Contract or with respect to RCTC's breach of obligations under this Contract to be performed after Final Payment.

18.13. Payment for Subsequent Claims

Except as set out in Section 18.12.6, if, after Final Payment is made, it is determined through the informal or formal Claims or dispute resolution processes in this Contract, that either Party is entitled to payment from the other Party with respect to Claims that (a) were identified as being unsettled in the release and waivers of Claims required in Section 18.12.2(b), (b) DB Contractor may be entitled to assert against RCTC with respect to indemnities under this Contract or with respect to RCTC's breach of obligations under this Contract that may occur after the Final Payment, or (c) RCTC may be entitled to assert against DB Contractor with respect to DB Contractor's continuing obligations under this Contract, such Party shall pay the amounts determined to be owing to the other Party within ten Business Days after such determination.

18.14. Payments Not Acceptance of Work

18.14.1. Any payment of moneys under Section 18.10.3 is not (a) evidence of the value of Work, (b) evidence that the Work has been satisfactorily carried out in accordance with this Contract, (c) an admission of liability by RCTC, (d) an approval by RCTC of DB Contractor's performance or compliance with this Contract, (e) an acknowledgement that RCTC has inspected or accepted the Work or (f) a waiver of any Claim or right that RCTC may then or thereafter have, including among others, warranty and indemnity rights.

18.14.2. All payments made by RCTC shall be subject to correction or adjustment in subsequent progress reviews and payments.

18.15. Payment to Subcontractors

18.15.1. Upon receipt of payment from RCTC, DB Contractor shall pay each Subcontractor within seven days of receipt of payment from RCTC, out of the amount paid to DB Contractor on account of such Subcontractor's portion of the Work, the amount to which such Subcontractor is entitled, less any retainage provided for in the Subcontract.

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18.15.2. Any breach of the prompt payment requirements in Section 18.15.1 shall subject DB Contractor to the penalties, sanctions and other remedies specified in Business and Professions Code section 7108.5, and may result in the application of appropriate administrative sanctions, including RCTC's right to withhold two percent of the Invoice amount due to DB Contractor as a penalty for every month that full payment is not made to a Subcontractor. This requirement shall not be construed to limit or impair any contractual, administrative, judicial or equitable remedies otherwise available to DB Contractor or any Subcontractor against each other in the event of a dispute involving late payment or nonpayment by DB Contractor or deficient Subcontract performance or noncompliance by a Subcontractor.

18.15.3. RCTC has no obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by applicable Governmental Rules. Within five Business Days after submission of any Notice of Claim (including any Relief Event Notice) or other similar notification under this Contract, in each case, that is based in whole or in part on a request by a Subcontractor for a price increase or time extension under its Subcontract, DB Contractor shall review and analyze the claim, determine in good faith and certify that it is justified under the Subcontract and that DB Contractor is justified in making its request for an increase in compensation and/or time extension. Each such Notice of Claim (or similar notification) involving Subcontractor work shall include a summary of DB Contractor's analysis of the claim. Any Notice of Claim (or similar notification) under this Section 18.15.3 shall be considered incomplete if it involves Subcontractor work and is not accompanied by such analysis and certification.

18.16. Payment of "Claims" under Public Contract Code section 9204

The Parties acknowledge that Public Contract Code section 9204 requires RCTC to make payments to DB Contractor with respect to any portion of a "claim" as that term is defined in Public Contract Code section 9204, which RCTC identifies as undisputed. If any such payments are made, future Invoices shall account for such payments in a manner acceptable to RCTC. A copy of Public Contract Code section 9204 is attached as Exhibit 13-C.

18.17. Disputes

18.17.1. Failure by RCTC to pay any amount in Dispute shall not alleviate, diminish or modify in any respect DB Contractor's obligation to perform the Work in accordance with this Contract, and DB Contractor shall not cease or slow down its performance under this Contract on account of any such amount in Dispute. Any Dispute regarding payment shall be resolved in accordance with Section 28. DB Contractor shall proceed as directed by RCTC pending resolution of the Dispute. If DB Contractor disagrees with directions provided by RCTC and such directions or determination are subject to the dispute resolution process under this Contract, it may provide written notice to RCTC that it is performing such Work under protest, that it has not waived or renounced any rights and retains the right to submit a Claim in accordance with Section 28. Upon resolution of any such Dispute, each Party shall promptly pay to the other any amount owing.

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18.17.2. Pending resolution of a Dispute, DB Contractor shall continue performance of all obligations under this Contract, without diminution of effort, and RCTC shall continue to make all undisputed payments in accordance with this Contract.

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SECTION 19
GENERAL PROVISIONS APPLYING TO RELIEF EVENTS

19.1. Sole Entitlement

To the fullest extent permitted by Governmental Rules, DB Contractor acknowledges and agrees that:

(a) The amounts payable under Section 18 constitute full compensation for performance of the Work; and

(b) DB Contractor's sole right to claim an extension of time, additional compensation, relief from performance of its obligations, or other relief under this Contract or to otherwise make any Claim for any Losses in connection with any Relief Event is as set out in Section 19, Section 20, and Section 21.

19.2. Mitigation

DB Contractor shall take all proper and reasonable steps necessary and within its control both to preclude, and to minimize the occurrence of and consequences of a Relief Event, including by resequencing, reallocating, or redeploying personnel, equipment and resources to other Work, as appropriate.

19.3. Deductions for Relief Events

19.3.1. The compensation payable for relief due to DB Contractor with respect to any Relief Event will be reduced:

(a) By any amount which a DB-Related Entity recovers under any insurance policy in connection with the Relief Event, or would have recovered if it had complied with the requirements of this Contract, and which such amount will not include any excess or deductibles or any amount over the maximum amount insured under any such insurance policy; and

(b) By the amount of any costs avoided or otherwise reduced as a result of the Relief Event.

19.3.2. No compensation will be allowed for any Relief Event to the extent that, the Relief Event arises out of, relates to or was caused or contributed to by:

(a) Any act or omission of a DB-Related Entity or DB Contractor Fault; or

(b) DB's failure to take all proper and commercially reasonable steps necessary and within its control both to preclude and to minimize the occurrence and consequences of the Relief Event, including by resequencing, reallocating, or redeploying personnel, equipment and resources to other Work, as appropriate.

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SECTION 20
RELIEF EVENTS

20.1. General Notice

20.1.1. Any notice or information DB Contractor is required to provide to RCTC with respect to a Relief Event, including a DB Contractor Change Request, is a "**Relief Event Notice**."

20.2. Delay in Notification of Relief Event

20.2.1. If DB Contractor submits to RCTC any Relief Event Notice after the time frame expressly stated under this Contract for the applicable Relief Event, then DB Contractor shall be deemed to have expressly waived:

(a) The right to collect any Costs, in connection with the Relief Event, that DB Contractor incurs prior to the delivery date of the Relief Event Notice; and

(b) The right to an extension of any Completion Deadline for a Critical Path delay in connection with the Relief Event, which accrued prior to the delivery date of the Relief Event Notice.

20.2.2. If DB Contractor fails to provide a Relief Event Notice within the earlier of: (a) the timeframe expressly stated within this Contract with respect to the specific Relief Event; or (b) 10 Business Days after the after DB Contractor has Actual Knowledge of or should have known of the Relief Event through performing its obligations in accordance with Good Industry Practice, DB Contractor shall not be entitled to any relief, and waives all relief, in connection with that Relief Event, unless DB Contractor proves to RCTC, based on clear and convincing evidence, that:

(a) RCTC was not materially prejudiced by the lack of the Relief Event Notice; or

(b) The RCTC Representative had Actual Knowledge of the Relief Event and its impact prior to the due date for the Relief Event Notice.

20.2.3. DB Contractor may be entitled to relief under this Contract for such Relief Event, subject to application of Section 20.2.1 and the other applicable provisions of this Contract.

20.2.4. The following matters (among others) shall be considered in determining whether RCTC has been prejudiced by DB Contractor's failure to provide a timely Relief Event Notice:

(a) The effect of the delay on alternatives available to RCTC (that is, a comparison of alternatives available at the time Relief Event Notice was actually given and alternatives that would have been available if Relief Event Notice were given within the applicable time frame in Section 20.2.2); and

(b) The impact of the delay on RCTC's ability to obtain and review objective information contemporaneously with the applicable Relief Event.

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20.2.5. Notwithstanding Section 20.2.2, DB Contractor's failure to provide a Relief Event Notice within 20 Business Days after the earlier of DB Contractor having Actual Knowledge of or should have known of the Relief Event through performing its obligations in accordance with Good Industry Practice shall preclude DB Contractor from any relief due to the occurrence of the Relief Event, including the right to receive payment for any Costs, receive schedule relief, receive a Change Order or make any Claim for any Losses or Costs in connection with the Relief Event.

20.2.6. DB CONTRACTOR HEREBY EXPRESSLY WAIVES ALL RIGHTS TO ASSERT ANY AND ALL CLAIMS BASED ON ANY CHANGE IN THE WORK, DELAY, SUSPENSION OR ACCELERATION (INCLUDING ANY CONSTRUCTIVE CHANGE IN THE WORK, DELAY, SUSPENSION OR ACCELERATION) FOR WHICH DB CONTRACTOR FAILED TO PROVIDE PROPER AND TIMELY NOTICE OR FAILED TO PROVIDE A TIMELY DB CONTRACTOR CHANGE REQUEST OR RELIEF EVENT NOTICE, AND AGREES THAT IT SHALL BE ENTITLED TO NO COMPENSATION OR DAMAGES OR TIME EXTENSION WHATSOEVER IN CONNECTION WITH THE WORK EXCEPT TO THE EXTENT THAT THE CONTRACT EXPRESSLY SPECIFIES THAT DB CONTRACTOR IS ENTITLED TO A CHANGE ORDER OR OTHER COMPENSATION, DAMAGES OR TIME EXTENSION.

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SECTION 21
CHANGES IN THE WORK

21.1. Change Order and Directive Letters

Subject to Section 19 and Section 20, this Section 21 sets forth the requirements for obtaining Change Orders and Directive Letters.

To the extent that any other provision of this Contract expressly provides for a Change Order or Directive Letter to be issued, such provision is incorporated into and subject to Section 19, Section 20, and this Section 21.1.

21.2. Right of RCTC to Issue Change Orders and Directive Letters

21.2.1. RCTC may, at any time and for any reason, without notice to any Surety or Guarantor, authorize and/or require a change within the general scope of this Contract in accordance with a Change Order or Directive Letter.

21.2.2. DB Contractor shall have no obligation to perform any material change outside the general scope of this Contract, except on terms mutually acceptable to RCTC and DB Contractor.

21.2.3. For the purpose of Sections 21.2.1 and 21.2.2:

(a) Any direction to perform Work shall not be considered a Change and shall be considered within the general scope of this Contract if the direction is related in whole or in part, or directly or indirectly, to the Project; or

(b) Any direction to delete or modify the Work shall be considered within the general scope unless, as a result the change, this Contract would no longer be considered a contract to design and build the Project of the nature described in the RFQ.

21.3. Issuance of Directive Letter

21.3.1. RCTC may, at any time and for any reason, issue a Directive Letter to DB Contractor with respect to a change or in the event of any Dispute regarding the scope of Work.

21.3.2. Any Directive Letter shall state that it is issued under this Section 21.3 and provide a written detailed description of the change, and the proposed basis for compensation or reduction in compensation, if any.

21.3.3. Directive Letters shall be effective upon issuance by RCTC. If RCTC issues a Directive Letter, DB Contractor shall proceed immediately to implement the change in accordance with the Directive Letter, pending execution of a formal Change Order in the event of a Change. If, however, the Directive Letter states that the directed Work is within DB Contractor's original scope of Work and does not constitute a Change, DB Contractor shall proceed with the Work as directed, but may give RCTC Notice, in accordance with process set forth in Section 21.5.1, that it considers the directed Work to constitute a Change and request that RCTC issue a Change Order under Section 21.4.

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21.3.4. In RCTC's sole discretion, a Directive Letter may also be considered a Notice by RCTC in accordance with Section 21.4.2(b)(ii), requiring DB Contractor to provide a Change Response to RCTC, provided the DB Contractor is provided Notice in the Directive Letter to such effect by RCTC.

21.4. RCTC-Directed Change Orders

21.4.1. Change Notice

If RCTC desires to evaluate whether to initiate an RCTC-Directed Change, then RCTC may issue a Change Notice setting out the details of the proposed Change.

21.4.2. Change Notice Consultations

(a) Within five Business Days after delivery of RCTC's Change Notice, or such shorter period as the Parties mutually agree depending upon the complexity of the proposed Change, the Parties shall consult to define the proposed scope of the Change. Within five Business Days after the initial consultation, or such longer period as the Parties mutually agree, the Parties shall consult concerning the estimated cost and time impacts, if any, to complete the Change Work. DB Contractor shall provide data regarding such matters as requested by RCTC.

(b) Within seven Business Days after the second consultation and provision of any data regarding matters RCTC requests, RCTC shall provide Notice to DB Contractor whether RCTC:

(i) Wishes to issue a Change Order or Directive Letter;

(ii) Wishes to request DB Contractor to provide a full Change Response;

(iii) Wishes to request DB Contractor to prepare a modified work plan for the Change and a full Change Response based on the modified work plan; or

(iv) No longer wishes to issue a Change Order.

21.4.3. Change Response

(a) If so requested by RCTC, within ten Business Days after receiving Notice under Section 21.4.2(b)(ii), or such longer period as the Parties mutually agree, DB Contractor shall prepare and deliver to RCTC, for RCTC's review and approval, a Change Response that includes:

(i) A detailed written evaluation of and justification for the proposed Change, including all activities associated with the Change and the specific provision(s) of this Contract which permit a Change Order, including data and documents supporting such evaluation;

(ii) A statement and detailed breakdown of the estimated increase or decrease (as applicable) to the Contract Price and adjustments to any applicable budget within or component of the Contract Price required as a result of the Change including all data and reports required under Section 21.16 and Section 21.18 to support such estimate;

(iii) A breakdown for labor, materials, equipment and permitted DB Contractor Markup;

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(iv) If the Work will be performed by Subcontractors and if the work is sufficiently defined to obtain Subcontractor quotes, DB Contractor shall obtain and provide quotes (with breakdowns showing cost of labor, materials, equipment, and markups for overhead and profit) on the Subcontractor's stationery and shall include such quotes as back-up for DB Contractor's estimate. No markup shall be allowed in excess of the amounts allowed under Section 21.11;

(v) If DB Contractor believes the Change affects a Critical Path, it shall provide an impacted delay analysis indicating all activities represented or affected by the Change, with activity numbers, durations, predecessor, and successor activities, resources and cost, and with a narrative report, in form satisfactory to RCTC, which compares the proposed new schedule to the Project Schedule or details of any Acceleration Costs. RCTC may at any time require DB Contractor to provide two alternative Cost and Schedule Proposals: alternative A, which shall provide for a time extension and any additional costs permitted under this Contract; and alternative B, which shall show all Acceleration Costs associated with meeting the original Completion Deadlines. If it is not feasible to recover any original Completion Deadline or if DB Contractor believes that the costs associated with such a recovery are prohibitive, then DB Contractor shall recommend a date, subject to RCTC's approval, to be shown in the alternative B Change Response;

(vi) A certification under penalty of perjury according to the laws of the State, in form acceptable to RCTC, executed by DB Contractor and stating that (1) the amount of time and/or compensation requested is justified as to entitlement and amount, (2) the amount of time and/or compensation requested includes all known and anticipated impacts or amounts, direct, indirect and consequential, which may be incurred as a result of the proposed Change, and (3) the cost and pricing data forming the basis for the Change Order is complete, accurate and current, with specific reference to the California False Claims Act (Government Code section 12650 et seq.) and the U.S. False Claims Act (31 U.S.C. § 3729 et seq.);

(vii) A schedule for completing the Change including any estimated adjustments to the Completion Deadlines;

(viii) DB Contractor's proposed plan to mitigate the impacts of the Change and a reasonably detailed breakdown of the expected actual Costs, if any, of such mitigation; and

(ix) Any other information reasonably requested by RCTC.

(b) If it is not practicable, due to the nature and/or timing of the event giving rise to a proposed Change Order, for DB Contractor to provide a complete Change Response within the time in Section 21.4.3(a), DB Contractor shall provide an incomplete Change Response that includes all information capable of being ascertained together with a list of those Change Response requirements that are not fulfilled, and an explanation reasonably satisfactory to RCTC stating why such requirements cannot be met. DB Contractor shall bear the burden of proving that providing the Change Response within the time in Section 21.4.3(a) was not practicable.

(c) DB Contractor shall provide RCTC with a monthly update to all outstanding or incomplete Change Responses describing the status of all previously unfulfilled requirements and stating any changes in the information previously delivered to RCTC.

(d) DB Contractor shall bear the cost of developing the Change Response, including any modifications requested by RCTC, except that actual and reasonable costs of design and engineering work required for preparation of plans or exhibits necessary to the Change

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Response, as pre-authorized by RCTC, may be included in the Change Order as reimbursable items. If the Change Order is approved, such actual and reasonable design and engineering costs will be included within the Change Order.

21.4.4. Change Order Determination

(a) Within 20 Business Days after receipt of DB Contractor's Change Response, RCTC shall provide Notice of RCTC's intent to proceed or not to proceed with the Change. If RCTC elects to proceed with the Change and accepts DB Contractor's Change Response, and any proposed adjustments to this Contract, DB Contractor shall prepare a Change Order for execution, unless RCTC, in its sole discretion, elects to prepare the Change Order itself. If RCTC elects to proceed with the Change Order but does not accept the Change Response in total, RCTC shall either: (i) negotiate and agree to a Change Order with DB Contractor; (ii) issue a Time and Materials Change Order, as provided in Section 21.11 for the Change; or (iii) issue a Directive Letter for the Change.

(b) Subject to receipt of any required approvals from Department and FHWA, if RCTC issues or agrees to a Change Order with DB Contractor in accordance with Section 21.4.4(a), RCTC and DB Contractor shall execute a Change Order with respect to the Change.

(c) Upon receipt of a Change Order under Section 21.4.4(b), DB Contractor shall implement the Change in accordance with the Change Order.

21.4.5. Notwithstanding the process in this Section 21.4, the Parties may agree to use a multiple-step process involving issuance of a Change Order which includes an estimated cost and which provides for a revised Change Order to be issued after a certain design level has been reached, to allow refinement and further definition of the estimated cost.

21.5. DB Contractor-Initiated Change Orders for Relief Event

21.5.1. Notice Requirements and DB Contractor Change Requests

(a) Without limiting DB Contractor's obligations under Section 8.5, DB Contractor shall give RCTC a Notice as soon as possible and within ten Business Days after DB Contractor had Actual Knowledge of or should have known of through performing its obligations in accordance with Good Industry Practice:

(i) A Relief Event that occurs after the Effective Date, but before NTP Phase 2, which may materially adversely impact performance of the Phase 1 Work; or

(ii) A Relief Event that occurs after the Effective Date, but before the Completion Deadline for the Work or a Package, which may delay the achievement of Completion by the Completion Deadline or may otherwise materially adversely impact performance, the schedule or cost of the Phase 2 Work.

(b) DB Contractor shall, within 20 Business Days after its Notice under Section 21.5.1(a) or such longer period of time as may be allowed in writing by RCTC, provide a DB Contractor Change Request which shall:

(i) Be labeled and numbered sequentially (for example the first DB Contractor Change Request shall be labeled "DB Contractor Change Request No. 1");

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(ii) Include, all information required to be submitted by DB Contractor in a Change Response as if the Relief Event was a Change with respect to which RCTC issued a Change Notice;

(iii) Include sufficient details of the Relief Event to enable the RCTC Representative to make an informed decision on whether to grant relief, the circumstances from which the Relief Event arises including its nature, the date of its occurrence, its duration, and the portions of the Project affected;

(iv) Include an itemized estimate of all amounts claimed under Section 21.7 where the Relief Event is a Compensable Event;

(v) State the name, title, and activity of each PCM personnel and RCTC representative with Actual Knowledge of the Relief Event;

(vi) Identify any documents and the substance of any oral communication involved in the facts underlying the Relief Event;

(vii) Provide an estimate of the time within which a response from RCTC to the DB Contractor Change Request is required to minimize cost, delay or disruption of performance; and

(viii) If the DB Contractor Change Request relates to a decision that this Contract leaves to the discretion of a Person or as to which this Contract provides that such Person's decision is final, the DB Contractor Change Request shall set out in detail all facts supporting DB Contractor's objection to the decision, including all facts supporting any contention that the decision was capricious or arbitrary or is not supported by substantial evidence.

(c) DB Contractor's Notice of a Relief Event under Section 21.5.1(a) may also serve as a DB Contractor Change Request provided it meets the requirements for a DB Contractor Change Request under Section 21.5.1(b).

(d) Any adjustments made to the Contract shall not include increased Costs or time extensions for delay resulting from DB Contractor's failure to timely provide requested additional information under this Section 21.5.1.

(e) If DB Contractor requests a time extension as part of a DB Contractor Change Request, then RCTC may require DB Contractor to provide two alternative Requests for Change Order, one of which shall provide for a time extension and any additional Costs permitted under this Contract, and the other of which shall show all Acceleration Costs associated with meeting the original Completion Deadlines, as well as any additional Costs permitted under this Contract. If it is not feasible to recover any original Completion Deadline or if DB Contractor believes that the costs associated with such a recovery are prohibitive, then DB Contractor shall recommend a date, subject to RCTC's approval, to be shown in the alternative DB Contractor Change Request.

21.5.2. Incomplete Requests for Change Order

(a) If it is not practicable, due to the nature and/or timing of the event giving rise to a Relief Event, for DB Contractor to provide a complete DB Contractor Change Request meeting all of the requirements of Section 21.5.1, DB Contractor shall provide an incomplete DB Contractor Change Request that includes:

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(i) All information capable of being ascertained;

(ii) A list of those DB Contractor Change Request requirements which are not fulfilled, and an explanation reasonably satisfactory to RCTC stating why such requirements cannot be met;

(iii) Such information regarding projected impact of the Relief Event on a Critical Path and Completion Deadlines as requested by RCTC; and

(iv) Sufficient detail to ascertain the basis for the proposed Change Order and for any Contract Price increase or schedule relief associated therewith, to the extent such amount is then ascertainable.

(b) DB Contractor shall furnish, when requested by RCTC or its designee, such further information and details as may be required to determine the facts or contentions involved. DB Contractor shall give RCTC and its designees access to any and all of DB Contractor's books, records, and other materials relating to the Work, and shall cause its Subcontractors to do the same, so that RCTC and its designees can investigate the basis for such proposed Change Order.

(c) DB Contractor shall provide RCTC with a monthly update to all outstanding or incomplete DB Contractor Change Requests describing the status of all previously unfulfilled requirements and stating any changes in the information previously delivered to RCTC.

(d) Once a complete DB Contractor Change Request is provided, RCTC shall, within a period not to exceed 45 days, provide DB Contractor with a written statement identifying what portion of the DB Contractor Change Request is disputed and what portion is undisputed and any undisputed portion shall be considered and processed as a Change Order.

(e) RCTC may reject the DB Contractor Change Request at any point in the process for any reason. Once a complete DB Contractor Change Request is provided, RCTC's failure to respond within 45 days of delivery of the request shall be deemed a rejection of such DB Contractor Change Request. In any such case, either Party may request dispute resolution in accordance with Section 28.

21.5.3. Review of Subcontractor Claims

(a) Prior to submission by DB Contractor of any DB Contractor Change Request that is based in whole or in part on a request by a Subcontractor to DB Contractor for a price increase or time extension under its Subcontract, DB Contractor shall have: (i) reviewed and analyzed all Claims by the Subcontractor that constitute the basis for the DB Contractor Change Request; and (ii) determined in good faith that each such claim has sufficient justification under this Contract to warrant DB Contractor requesting an increase in the Contract Price and/or change in Completion Deadlines in the amounts specified in the DB Contractor Change Request. DB Contractor shall certify in its DB Contractor Change Request that it has completed such review and that the Claim has justification under this Contract.

(b) Each DB Contractor Change Request involving Subcontractor Work, and each update to an incomplete DB Contractor Change Request involving such Work, shall include a summary of DB Contractor's analysis of all Subcontractor claims components and shall include a certification signed by the DB Contractor Representative stating that DB Contractor has: (i) investigated the basis for the Subcontractor's claims and believes there is sufficient justification under this Contract as to entitlement and the amount of money and/or time requested; (and (iii)

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no reason to believe and does not believe that the factual basis for the Subcontractor's claim is falsely represented. Any DB Contractor Change Request involving Subcontractor Work which is not accompanied by such analysis and certification shall be considered incomplete.

21.6. Change Order Entitlement for Relief Events

21.6.1. Subject to Section 19 and Section 21.6.2, and so long as DB Contractor complies with the applicable Notice requirements in this Section 21, in the case of a Relief Event that causes or will result in an identifiable and measurable disruption of the Project that impacts an activity on the Critical Path (i.e., consumes all available Float and extends the time required to achieve a Completion Milestone beyond the applicable Completion Deadline), DB Contractor shall be entitled to a Change Order that provides for:

(a) Either (i) an adjustment to the applicable Completion Deadline (based on critical path method analysis) to the extent of the actual delay caused by the Relief Event, or (ii) Acceleration Costs, but only if RCTC elects to order acceleration under Section 21.5.1(e), in which case the Change Order shall not provide for an adjustment in the applicable Completion Deadline and shall expressly indicate the Acceleration Costs that shall be paid;

(b) Subject to Sections 21.6.2(a), 21.6.2(b), and 21.6.2(c), delay and disruption damages for events only within clauses (a), (b), (c), (e), or (f) of the definition of "RCTC-Caused Delays";

(c) Subject to Sections 21.6.2(a), 21.6.2(b), and 21.6.2(c), delay and disruption damages for events only within clause (d) of the definition of RCTC-Caused Delays and within clauses (d), (g), and (h) of the definition of a "Relief Event," in each case, up to a maximum of $5,000 per day (regardless of the number of concurrent Relief Events); and

(d) Compensation for idle time of equipment, but only (i) if the Relief Event is also a Utility Relief Event, and (ii) DB Contractor is also entitled to extension of a Completion Deadline under Section 21.6.1(a).

21.6.2. DB Contractor's entitlement to a Change Order under Section 21.6.1 is subject to the following limitations:

(a) Where permitted and compensable, delay and disruption damages shall be limited to (i) direct costs solely and directly attributable to the delays described in Section 21.6.1(a) and markups on such direct costs in accordance with Section 21.11, and (ii) any additional field office and jobsite overhead costs that DB Contractor incurs solely and directly attributable to such delays and subject to Section 9-1.11 of Exhibit 5 (Modified Standard Specifications);

(b) DB Contractor shall not be entitled to an extension of a Completion Deadline or delay or disruption damages under Section 21.6.1 if the Relief Event is concurrent with any other unrelated delay to a Critical Path for which any DB-Related Entity is responsible under this Contract.

(c) Where permitted and compensable, delay and disruption damages for the event within clause (j) of the definition of "Relief Event" shall be limited to negligent acts or omissions of any Other RCTC Contractor, which materially and adversely directly affects DB Contractor's obligations under this Contract.

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21.7. Change Order Entitlement for Compensable Events

Subject to Section 19, Section 20 and DB Contractor complying with this Section 21, where RCTC issues a Change Order as a result of a Change or a Compensable Event that changes the scope of the Work, DB Contractor (or RCTC, in the case of a deductive change) shall be entitled to an adjustment of the Contract Price as provided in Sections 21.10 through 21.21 (as applicable).

21.8. Change Order Entitlement for Force Majeure Events

21.8.1. Subject to Section 19, Section 20, and DB Contractor complying with this Section 21, if Work or the Project is wholly or substantially destroyed or damaged by:

(a) A Force Majeure Event which is not insured against and is not required to be insured against in accordance with this Contract; and

(b) RCTC requires DB Contractor to repair, replace or rebuild the Work or the Project.

the Parties will use reasonable efforts to negotiate and agree on how the Work or the Project will be repaired, replaced or rebuilt in accordance with this Section 21.

21.8.2. The Parties' attempts to negotiate shall not limit RCTC's right to issue a Directive Letter or terminate the Contract in accordance with this Contract.

21.9. Extension of Time in Approved Subcontract Agreements

No extension of time under a Subcontract shall constitute an extension of time under this Contract unless the circumstances independently entitle DB Contractor an extension of time under this Contract.

21.10. Change Order Pricing

21.10.1. General Pricing

Except as expressly provided otherwise in this Sections 21.10 through 21.22, the price of a Change Order issued under this Section 21 shall be a negotiated Lump Sum price or unit prices as provided below. The Lump Sum price or unit prices shall be based on the original allocations of the Contract Price to comparable activities, whenever possible and be consistent with the rates and prices submitted with the Proposal. If reference to price allocations is inappropriate (as determined by RCTC) and if requested by RCTC, negotiation for Lump Sum or unit price Change Orders shall be on an Open Book Basis and may be based on the pricing contained in the Phase 2 Proposal as well as competitive Subcontractors' bid prices.

21.10.2. Detailed Cost Proposal

DB Contractor may be required to submit to RCTC a detailed cost proposal identifying all categories of costs set out in Section 21.11: (a) showing all impacts on the Contract from Work Changes shown in the Change Order being priced; and (b) setting out the proposed costs in such a way that a fair evaluation can be made. DB Contractor shall identify all conditions with respect to prices or other aspects of the cost proposal, such as pricing contingent on firm orders being made by a certain date or the occurrence or nonoccurrence of an event.

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21.10.3. Added Work

When a Change Order adds Work to DB Contractor's scope, the increase in the Contract Price shall be negotiated based on: (a) estimated costs of labor, material, and equipment; (b) unit prices in accordance with Section 21.10.6; or (c) actual costs in accordance with Section 21.11. For negotiated Change Orders, markups for profit and overhead shall not exceed the Maximum DB Markup.

21.10.4. Deleted Work

When a Change Order deletes Work from DB Contractor's scope, the amount of the reduction in the Contract Price shall be determine on an Open Book Basis, including by reference to the rates and information included in the Phase 2 Proposal, including a bill of material, a breakdown of labor, material, and equipment costs, and overhead and profit associated with the deleted Work which shall not exceed the Maximum DB Markup. The current estimated amount of risk associated with such Work shall be a factor in determining the markup for the deduction. When a deduction is involved, documented cancellation and restocking charges may be included in costs and subtracted from the price deduction.

21.10.5. Change Order Both Adding and Deleting Work

When the Change Order includes both added and deleted Work, DB Contractor shall prepare a statement of the cost of labor, material and equipment for both added and deleted work. If the cost of labor, material and equipment for the Work added and deleted results in a:

(a) Net increase in cost, the Change shall be treated as work added and the provisions of Section 21.10.3 shall be used to determine markups for overhead and profit. Markups for overhead and profit will be allowed only for the net increase in cost in order to establish the amount to be added to the Contract Price;

(b) Net decrease in cost, the change shall be treated as Work deleted and the provisions of Section 21.10.4 shall be used on the net decrease in cost in order to establish the amount deducted from the Contract Price; or

(c) Net change of zero, there will be no change in the Contract Price.

21.10.6. Unit Priced Change Orders

Measurement of unit-priced quantities will be in accordance with Section 9-1.02 of the Department Standard Specifications. Unit prices shall be deemed to include all costs for labor, material, overhead and profit, and are not subject to change regardless of any change in the estimated quantities. Unit-priced Change Orders shall initially include an estimated increase in the Contract Price based on estimated quantities. Upon final determination of the quantities, RCTC will issue a modified Change Order setting forth the final adjustment to the Contract Price. DB Contractor shall keep detailed records of the quantities for unit priced Work and shall submit supporting documentation of such quantities with its Invoices.

21.11. Time and Materials Change Orders

21.11.1. Issuance

RCTC may issue a Time and Materials Change Order. The Time and Materials Change Order shall instruct DB Contractor to perform the Work, indicating expressly the intention

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to treat the items as changes in the Work, and setting forth the kind, character, and limits of the Work as far as they can be ascertained, the terms under which changes to the Contract Price will be determined and the estimated total change in the Contract Price. Upon final determination of the allowable costs, RCTC shall issue a modified Change Order setting forth the final adjustment to the Contract Price.

21.11.2. Pricing and Payment

(a) Time and Materials Change Orders shall be issued in accordance with Section 9-1.04 of Exhibit 5 (Modified Standards Specifications). DB Contractor shall comply with all recordkeeping and other obligations in Section 9-1.04D(6) of Exhibit 5 (Modified Standards Specifications) when performing Time and Materials Work or performing Phase 2 Work.

(b) Payments for Time and Materials Work shall be invoiced with the regular monthly Invoice, based on the Extra Work reports provided by DB Contractor for each period. Costs evidenced by daily Extra Work reports provided less than five Business Days prior to preparation of the Invoice shall be included in the subsequent month's Invoice.

21.12. Main or Trunkline Utilities

21.12.1. Inaccuracy Resulting in Additional Costs or Time

(a) The amount of any Change Order as a result of a Utility Relief Event shall be determined in accordance with Section 21.10.

(b) DB Contractor shall not be entitled to any increase in the Contract Price or extension of time for any of the following:

(i) Increased costs of the Work or time attributable to unidentified or misidentified Utilities, to the extent that the existence of the Utility was known to DB Contractor, as follows:

(1) In the case of Work performed prior to the Phase 2 Approval Deadline, by undertaking Reasonable Investigation prior to the SOQ Step 2 Submittal Date; and

(2) In the case of Work performed after the Phase 2 Approval Deadline, by performing a Phase 1 Site Investigation as required under the Technical Provisions (Phase 1), such other investigations undertaken by DB Contractor during Phase 1 and/or such other investigations required in accordance with Good Industry Practice prior to the date of submitting the Phase 2 Proposal.

(ii) Increased costs of the Work or time attributable to unidentified or misidentified Utilities, to the extent they could have been inferred from the presence of other facilities, such as buildings, meters, junction boxes, manholes or identifying markers, visible during a surface inspection of the area conducted prior to the Utility Strip Map Deadline;

(iii) Non-Dig Alert Mapped Utilities; and

(iv) Except as provided in Section 21.12.1(a) for unidentified Utilities, increased costs of the Work or time attributable to misidentified or unidentified Utilities, to the extent such costs could have been avoided if DB Contractor had fully and accurately identified the Utility and addressed the actual field conditions in the Utility Strip Map;

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(v) Delay and disruption damages or extensions of time, except that DB Contractor shall be entitled to compensation for idle time of equipment in Section 21.6.1(d) on account of such delay.

21.12.2. "Reasonable Accuracy" Defined

(a) For purposes of the definition of Utility Relief Event, a Main or Trunkline Utility is not identified with "reasonable accuracy" only if:

(i) The Utility's actual centerline location is located more than five feet distant from the horizontal centerline location indicated therefor in the Utility Information (without regard to vertical location);

(ii) The Utility Information shows the Utility as abandoned (i.e., nonexistent except "on paper", or existent but no longer active) when in fact the Utility exists and is active, or the Utility Information shows the Utility as active when in fact the Utility is abandoned;

(iii) The Utility has an actual nominal diameter (excluding casings and any other appurtenances) greater than 12 inches, and its actual nominal diameter is either greater than or less than the outside diameter shown in the Utility Information by 25% or more of the diameter shown in the Utility Information; or

(iv) The encasement material or encasement status of the Utility differs materially from what is shown in the Utility Strip Map.

(b) Any other inaccuracies in the Utility Information have no impact on "reasonable accuracy" and shall not result in a determination that the Utility was not identified with "reasonable accuracy." If there is any discrepancy between any of the components of the Utility Information (e.g., Preliminary Utility Matrix and Utility Maps contain conflicting information), only the most accurate information shall be relevant for purposes of this Section 21.12.

21.13. Differing Site Conditions

21.13.1. DB Contractor shall bear the burden of proving that a Differing Site Condition exists, and that DB Contractor could not have reasonably worked around the Differing Site Condition so as to avoid additional cost or time impact.

21.13.2. Each DB Contractor Change Request relating to a Differing Site Condition shall be accompanied by a statement signed by a Qualified Professional including all relevant assumptions made by DB Contractor with respect to the condition at the relevant portion of the Site, justifying the basis for such assumptions, explaining exactly how the existing conditions differ from those assumptions, and stating the efforts DB Contractor took to find alternative design or construction solutions to eliminate or minimize the problem and the associated costs. If the request is based on clause (a) of the definition of Differing Site Condition, the statement shall also include detailed information regarding the alleged Error in the Boring Data provided by RCTC forming the basis for the request and shall explain how DB Contractor's assumptions would have changed had the Boring Data been accurate.

21.13.3. No additional compensation, time extension or other Claim will be allowed in connection with any Work stoppage in affected areas during periods within

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which DB Contractor prepares the DB Change Order Request under this Section 21.13.

21.14. Changes in Project Standards

(a) If a change to a Project Standard occurs after the Phase 2 Setting Date, DB Contractor shall give Notice to RCTC of such change within 10 Business Days of the change. If, after such Notice, RCTC directs DB Contractor to comply with the changed Project Standard (rather than with the Project Standard applicable at the Phase 2 Setting Date), then DB Contactor shall comply with the Project Standard as changed. To the extent such compliance directly and materially impacts the Work and would not have otherwise been taken into account by compliance with the Governmental Approvals or Good Industry Practice, DB Contractor shall be entitled to a Change Order, subject to Section 19, Section 20 and compliance with this Section 21.

(b) If RCTC directs DB Contractor not to comply with the changed Project Standard (which direction may only be given where DB Contractor is not otherwise legally obliged to comply with the changed Project Standard), then DB Contractor shall continue to comply with the Project Standard applicable at the Phase 2 Setting Date without entitlement to a Change Order.

(c) This Section 21.14 shall not apply to Changes in Law.

21.15. Hazardous Materials Management

Subject to the limitations in this Section 21.15 and Section 19, DB Contractor shall be entitled to a Change Order for certain costs of Hazardous Materials Management for Compensable Events that fall within clause (f) of the definition of Relief Event:

(a) Any Costs payable under this Section 21.15 shall be limited to Costs of Work performed in accordance with the approved plans required to be provided under TP Section 6.3, excluding DB Contractor Markup;

(b) No Contract Price increase or time extension shall be allowed with respect to:

(i) Removal, disposal and/or remediation of (A) asbestos or asbestos-containing materials (other than mineral asbestos naturally occurring in the ground) on or in the Site, removed in accordance with TP Sections 6.3 and 6.4 and the approved Environmental Management Plan, or (B) any other materials not falling within the definition of Hazardous Waste that are encountered during or in connection with the demolition of buildings, fixtures or other improvements on any parcels within the Site;

(ii) Release(s) of Hazardous Materials or threatened Release(s) of Hazardous Materials for which DB Contractor is responsible under Section 27.1.1(g);

(iii) Less than "material quantities" (e.g., quantities that trigger a reporting requirement as defined in Section 10.9.1) of Hazardous Materials;

(iv) Any Hazardous Materials that could have been avoided by reasonable design modifications or construction techniques; or

(v) Any Hazardous Materials on or affecting property outside of the RCTC-Provided Property, except that compensation will be allowed for environmental remediation

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work on such property to the extent that it is legally required to be taken with Hazardous Materials Management required within the RCTC-Provided Property;

(c) The amount of the Change Order for Hazardous Materials Management shall either be a negotiated amount acceptable to the Parties, or an amount determined in accordance with Section 21.11 and this Section 21.15 for the work in question;

(d) DB Contractor shall be deemed to have waived the right to collect any and all costs incurred in connection with any Hazardous Materials Management and any right to obtain an extension of a Completion Deadline if RCTC and Department are not provided Notice of the discovery of Hazardous Materials delivered under Section 10.8.1(a), and afforded the opportunity to inspect sites containing Hazardous Materials before any action is taken which would inhibit the ability of RCTC or Department to ascertain, based on a Site inspection, the nature and extent of the materials. In the event of an emergency involving Hazardous Materials, DB Contractor may take such limited actions as are required by Governmental Rules without advance notice to RCTC and Department, but shall provide Notice immediately thereafter (which in no event shall be more than two hours after the incident by phone and 24 hours after the incident by Notice);

(e) In cases involving reimbursement for Hazardous Materials Management under this Section 21.15, allowable costs shall be limited to the incremental direct costs but excluding both delay and disruption damages and DB Contractor Markup(except to the extent any delay qualifies as an RCTC-Caused Delay under clause (g) of the definition of that term in Exhibit 1 (Abbreviations and Definitions), in which case delay and disruption damages calculated in accordance with Section 21.6.2(a) shall be allowed during the period of the RCTC-Caused Delay) incurred after completion of the testing process to determine whether Hazardous Materials are present, associated with the Hazardous Materials at issue (deducting any avoided costs such as the cost of disposal that would have been incurred had Hazardous Materials not been present). Investigating and characterizing Hazardous Materials are included in the Work and in the Contract Price and DB Contractor is not entitled to additional compensation therefor. DB Contractor shall take all reasonable steps to minimize any such costs. Compensation shall be allowed only to the extent that DB Contractor demonstrates to RCTC's satisfaction that (i) the Hazardous Materials Management could not have been avoided by reasonable design modifications or construction techniques, and (ii) DB Contractor's plan for the Hazardous Materials Management represents the approach which is most beneficial to the Project and the public. DB Contractor shall provide RCTC with such information, analyses and certificates as may be requested by RCTC in order to enable a determination regarding eligibility for payment;

(f) If DB Contractor encounters Hazardous Materials within the RCTC-Provided Property which, due to no act or omission of any DB-Related Entity or any DB Contractor Fault, results in delays to a Critical Path, then RCTC shall bear the risk of such delay (excluding those conditions for which DB Contractor has agreed to be responsible as described in Section 27.1.1(g), and subject to the limitations in this Section 21.15;

(g) Section 21.15(f) shall not apply to any delays associated with Department's investigation and Hazardous Materials Management of HM-1 located within the Existing Department ROW, which delays shall be treated as an RCTC-Caused Delays under this Contract; and

(h) Notwithstanding any contrary provision of this Contract, DB Contractor has no right to receive (a) any compensation for delay and disruption damages (except to the extent any delay qualifies as a RCTC-Caused Delay under clause (g) of the definition of that term in Exhibit 1 (Abbreviations and Definitions), in which case delay and disruption damages calculated in accordance with Section 21.6.2(a) shall be allowed during the period of the RCTC-Caused

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Delay) or DB Contractor Markup related to Hazardous Materials Management, (b) any compensation for any Hazardous Materials Management resulting from a situation described in Section 27.1.1(g), or (c) any compensation, time extension or otherwise make any Claim in connection with any work stoppage in affected areas during the investigation periods described in Sections 10.8.1, 10.8.2, or 10.9.3. DB Contractor shall also not be entitled to receive any compensation, time extension or otherwise make any Claim for (1) immaterial quantities of Hazardous Materials, (2) any Hazardous Materials that could have been avoided by reasonable design modifications or construction techniques, (3) any costs that could have been avoided, (4) Hazardous Materials on any Available Properties or any Additional Properties, temporary real property interests or other property of DB Contractor, or (5) any Hazardous Materials encountered during or in connection with the demolition of buildings, fixtures or other improvements on any parcels within the Site. Such limitations shall apply to all Change Orders related to Hazardous Materials Management.

21.16. Change Order Records

DB Contractor shall maintain its records in such a manner as to provide a clear distinction between the direct costs of Work for which it is entitled (or for which it believes it is entitled) to an increase in the Contract Price and the costs of other operations. DB Contractor shall collect, record in writing, segregate and preserve: (a) separate daily occurrence logs as required under TP Section 5.4.2.6 and Section 9-1.04(D)(6) of Exhibit 5 (Modified Standards Specifications), together with all other data necessary to determine the costs of all Work which is the subject of a Directive Letter, Change Order or a requested Change Order, specifically including costs associated with design Work as well as Relocations; and (b) all data necessary to show the actual impact (if any) of the change on each Critical Path and Completion Deadline with respect to all Work which is the subject of a Directive Letter, Change Order or a proposed Change Order. Such data shall be provided to the Disputes Review Board (if a Change Order or requested Change Order is under dispute), RCTC and its representatives as directed by RCTC, on forms approved by RCTC.

21.17. Daily Work Reports and Data Collection

DB Contractor shall provide RCTC completed daily work reports for each day's Work which is to be paid for on a Time and Material or Cost of the Work basis. The daily Time and Material Work and Cost of the Work reports shall be detailed as follows:

(a) Name, classification, date, daily hours, total hours, rate and extension for each worker (including both construction and non-construction personnel) for whom reimbursement is requested;

(b) Designation, dates, daily hours, total hours, rental rate and extension for each unit of machinery and equipment;

(c) Quantities of materials, prices, and extensions;

(d) Transportation of materials; and

(e) The total costs to date for the Work performed under the Time and Materials Change Order or as Cost of the Work .

All such records and reports shall be made immediately available to RCTC upon its request. DB Contractor cost accounting records, payroll reports, paid invoices, and other actual cost

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records shall be provided to RCTC upon request to support hourly labor rates and other submitted costs included in the daily cost reports.

All reports prepared under this Section 21.17 shall be signed by DB Contractor and certified as true, accurate, and complete. RCTC will compare its records with DB Contractor's reports, make the necessary adjustments, and compile the costs of Work completed under a Time and Materials Change Order or performed as Cost of the Work . When such reports are agreed upon and signed by both Parties, they will become the basis of payment. If the Parties cannot agree on the data contained in the reports then only the amounts agreed to by RCTC will be processed for payment and DB Contractor and DB Contractor may submit the amount of such price deduction to dispute resolution in accordance with Section 28.

21.18. Supplier's Invoices

Materials charges shall be substantiated by valid copies of Supplier's invoices. Such invoices shall be submitted with the daily Time and Materials Work and Cost of the Work reports, or if not available, they shall be submitted with subsequent daily Time and Material Work and Cost of the Work reports. Should said Supplier's invoices not be submitted within 60 days after the date of delivery of the materials, RCTC may establish the cost of such materials at the lowest current wholesale prices at which such materials are available, in the quantities concerned, delivered to the location of Work, less any discounts available.

21.19. Execution of Reports

RCTC will compare its records with the completed daily Time and Material Work and Cost of the Work reports provided by DB Contractor and make any necessary adjustments. When these daily Time and Materials Work and Cost of the Work reports are agreed upon and signed by both Parties, said reports shall become the basis of payment for the Work performed, but shall not preclude subsequent adjustment based on a later audit. DB Contractor's cost records pertaining to Change Order Work or other work paid for on a time and material basis shall be open, during all regular business hours, to inspection or audit by representatives of RCTC during the term of the Contract and for a period of not less than five years after the Final Acceptance Date, and DB Contractor shall retain such records for that period. Where payment for materials or labor is based on the cost thereof to any Person other than DB Contractor, DB Contractor shall make every reasonable effort to insure that the cost records of each such other Person will be open to inspection and audit by representatives of RCTC on the same terms and conditions as the cost records of DB Contractor. Payment for such costs may be deleted if the records of such third parties are not made available to the RCTC's Representatives.

21.20. Disputes

The failure of RCTC and DB Contractor to agree to any Change Order under this Section 21.21 (including agreement as to the amount of compensation allowed under a Time and Materials Change Order and the disputed amount of the increase in the Contract Price and/or extension of a Completion Deadline in connection with a Change Order as described above) shall be a Dispute to be resolved in accordance with Section 28.

Except as otherwise specified in the Change Order, execution of a Change Order by both Parties shall be deemed accord and satisfaction of all claims by DB Contractor of any nature arising from or relating to the Work covered by the Change Order and DB Contractor shall be deemed to have expressly released, waived, and disclaimed any right to receive compensation, time extension or make any Claim related thereto. DB Contractor's Claim and any award by the dispute resolver shall be limited to the incremental costs incurred by DB Contractor with respect to the disputed

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matter (crediting RCTC for any corresponding reduction in DB Contractor's other costs) and shall in no event exceed the amounts allowed by Section 21.16 with respect thereto.

21.21. Work Performed Without Direction or Authority

If DB Contractor undertakes any work or efforts: (a) outside of the scope of the Work; (b) upon any request, order, or other authorization issued by a Person in excess of that Person's authority as provided in this Contract, (c) included in any oral request or directive or (d) unrelated to the Project, DB Contractor shall be deemed to have undertaken such efforts voluntarily, at its sole cost and risk, and shall not be entitled to a Change unless DB Contractor has received a Directive Letter or Change Order signed by RCTC. In addition, RCTC may require DB Contractor to remove or otherwise undo the results of any such work efforts without any entitlement to a Claim.

21.22. Changes Not Requiring Change Order

Subject to Section 21.12, Deviations from technical standards specified in this Contract which have a neutral net cost effect and do not affect a Critical Path or Completion Deadline shall not require a Change Order provided such Deviations are approved by RCTC and Department in accordance with TP Section 1.4. However, written documentation of the request and approval of the deviation must be maintained by the DB Contractor. Any other change in the requirements of this Contract shall require either a Directive Letter, a Change Order or an executed amendment to this Contract.

21.23. No Release or Waiver; Course of Dealings

21.23.1. The grant of an extension of time beyond the date fixed for the completion of any part of the Work, the performance and acceptance of any part of the Work or materials specified by the Contract after a Completion Deadline, and making of payments to DB Contractor after a Completion Deadline shall not, in any case:

(a) Be deemed to be a waiver by RCTC of any of its rights and remedies under this Contract, at law or in equity, including its right to terminate the Contract for abandonment or failure to complete within the time specified (as it may have been extended) or to impose and deduct damages as may be provided; or

(b) Release DB Contractor's Surety(ies) or any Guarantor from its obligations and Work shall continue and be carried on in accordance with all the provisions of this Contract and this Contract shall be and shall remain in full force and effect unless formally suspended or terminated by RCTC in accordance with the terms of this Contract.

21.23.2. No Claim, Change Order or DB Contractor Change Request shall be based on any course of conduct or dealings between the Parties, any express or implied acceptance of alterations or additions to the Work, or any claim that RCTC has been unjustly enriched.

21.24. Deviations

21.24.1. Following the Phase 2 Amendment, DB Contractor must provide Notice to RCTC seeking approval of Deviations regarding the design or construction of the Project. Where DB Contractor requests a Deviation as part of any Submittal (including a component plan withing any Administrative Project Plans or Design Document), DB Contractor shall specifically identify and label the

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proposed Deviation. RCTC may consider Deviations requested by DB Contractor. Deviations may only be used with respect to technical issues, the Technical Provisions and Project Standards.

21.24.2. DB Contractor shall bear the burden of persuading RCTC that the Deviation sought is (i) consistent with Governmental Approvals, Governmental Rules and Good Industry Practice, (ii) achieves RCTC's applicable safety standards and criteria and, (iii) but for the specific item(s) expressly included in the Deviation, is otherwise in accordance with this Contract.

21.24.3. No Deviation shall be deemed approved or be effective unless stated in a signed Notice by the RCTC Representative. RCTC's failure to provide Notice of a Deviation within 14 days after DB Contractor's Notice shall be deemed a disapproval of such application.

21.24.4. RCTC's affirmative approval Notice of any part of the Administrative Project Plans shall constitute:

(a) Approval of any Deviations expressly identified and labeled as Deviations in the Administrative Project Plans, unless RCTC takes exception to any such Deviation in which case the identified Deviation is not approved (and DB Contractor shall deliver revisions to such part of the Administrative Project Plans for RCTC approval in accordance with Section 5); and

(b) Disapproval of any Deviation is not expressly identified and labeled as Deviations in the Administrative Project Plans.

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SECTION 22
SUSPENSION

22.1. Suspensions for Convenience

22.1.1. RCTC may, at any time and for any reason, by Notice, order DB Contractor to suspend all or any part of the Work for its convenience, for the period of time RCTC deems appropriate.

22.1.2. DB Contractor shall promptly comply with any Notice under Section 22.1.1.

22.1.3. DB Contractor shall promptly recommence the Work upon receipt of Notice from RCTC directing DB Contractor to resume Work.

22.2. Suspensions for Cause

22.2.1. RCTC may, by Notice to DB Contractor, order DB Contractor to suspend the whole or any part of the Work for DB Contractor or any Subcontractors failure to:

(a) Correct conditions unsafe for the Project personnel, RCTC personnel, Other RCTC Contractor personnel or the general public;

(b) Comply with any Governmental Approval, Governmental Rule or this Contract;

(c) Carry out orders or directions of RCTC in accordance with this Contract, Change Orders or Directive Letters;

(d) Comply with requirements to develop and implement the Quality Management Plan;

(e) Remove any Person as required under Section 6.4.3 or if DB Contractor or its Subcontractor fails to ensure employment of an alternative skilled and experienced Person;

(f) Provide proof of required insurance coverage as provided in Section 14;

(g) Reopen lanes closed to public traffic as part of a Permitted Lane Closures by the times specified in the approved closure requests in TP Section 18.3.3;

(h) Comply with environmental requirements;

(i) Pay in full when due undisputed amounts owing to RCTC under this Contract; or

(j) Remove from the Work and dismiss from the Project any Subcontractor that is determined disqualified, suspended, debarred or otherwise excluded from bidding, proposing or contracting with a federal or a State department or agency.

22.2.2. DB Contractor shall promptly comply with any Notice under Section 22.2.1 to suspend the Work in whole or in part.

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22.2.3. DB Contractor shall promptly recommence the suspended Work upon receipt of Notice from RCTC directing DB Contractor to resume the Work.

22.2.4. RCTC has no liability to DB Contractor and DB Contractor is not entitled to make any Claim in connection with any suspension under Section 22.2.1.

22.2.5. If RCTC orders suspension of any Work under Section 22.2.1, but it is finally determined under the dispute resolution procedures of this Contract that such grounds did not exist, it shall be treated as a suspension for RCTC's convenience under Section 22.1.

22.3. Department Suspensions

22.3.1. DB Contractor acknowledges that Department has the authority to issue an order suspending Work wholly or in part and to take appropriate action when public safety is jeopardized as authorized under Streets and Highways Code section 91.2(b) and otherwise in accordance with the Department Cooperative Agreement. DB Contractor shall promptly comply with any such written suspension order. DB Contractor shall promptly recommence the Work upon receipt of Notice from Department directing DB Contractor to resume the suspended Work. Neither RCTC nor Department shall have any liability to DB Contractor related to such suspension and DB Contractor shall have no right to Claim in connection with any such suspension.

22.4. Responsibilities of DB Contractor during Suspension Periods

Where the Work is suspended in whole or in part:

22.4.1. DB Contractor remains responsible for the Work and shall prevent damage, loss or injury to the Project, provide for drainage and shall erect necessary temporary structures, signs or other facilities required to maintain the Project;

22.4.2. DB Contractor shall maintain in a growing condition all newly established plantings, seedings, and soddings provided under this Contract, and shall protect new tree growth and other vegetative growth against injury, replacing all dead plants requiring replacement during the suspension period; and

22.4.3. DB Contractor shall continue other Work not subject to the suspension in accordance with this Contract.

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SECTION 23
TERMINATION FOR CONVENIENCE

23.1. Notice of Termination for Convenience

23.1.1. RCTC may, at any time, terminate this Contract in whole or in part, at its convenience, by Notice to DB Contractor specifying the extent of termination and its effective date ("**Notice of Termination for Convenience**").

23.1.2. Termination (or partial termination) of this Contract shall not relieve any Surety or Guarantor of its obligation for any Claims arising out of the Work performed.

23.1.3. DB Contractor acknowledges and agrees that unless and until NTP Phase 2 is issued, RCTC has no liability to DB Contractor for a Termination for Convenience under this Contract.

23.2. Transition Plan

23.2.1. Within three days after receipt of a Notice of Termination for Convenience, DB Contractor shall meet and confer with RCTC to develop an interim transition plan for the orderly transition of the terminated Work, demobilization and transfer of the Project to RCTC.

23.2.2. The Parties shall use diligent efforts to:

(a) Complete preparation of the interim transition plan within 15 days after DB Contractor receives Notice of Termination for Convenience; and

(b) Complete preparation of a final transition plan within 30 days after DB Contractor receives Notice of Termination for Convenience.

23.2.3. The transition plan shall be in form and substance acceptable to RCTC in its good faith discretion and shall include and be consistent with the other provisions and procedures in Section 23.3.

23.3. DB Contractor's Responsibilities after Receipt of Notice of Termination

After receipt of a Notice of Termination for Convenience, and except as otherwise directed by RCTC, DB Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this Section 23 or acceptance of the transition plan:

(a) Stop Work as specified in the Notice of Termination for Convenience;

(b) Notify all affected Subcontractors that this Contract is being terminated, and that such Subcontractors stop performance under their Subcontracts (including orders for materials, services or facilities), unless otherwise authorized by Notice from RCTC;

(c) Place no further (i) Subcontracts (including orders for materials, services. equipment or facilities) or (ii) orders for Department furnished materials in accordance with Section 6-1.02 of Exhibit 5 (Modified Standard Specifications), except as necessary to complete the continued portion of the Work, if any, or for mitigation of damages;

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(d) Unless instructed otherwise by RCTC, terminate all Subcontracts to the extent they relate to the Work terminated;

(e) To the extent directed by RCTC, execute and deliver to RCTC written assignments, in form and substance acceptable to RCTC, acting reasonably, of all of DB Contractor's right, title, and interest in and to (i) Subcontracts that relate to the terminated Work, provided that RCTC assumes by Notice all of DB Contractor's obligations thereunder that arise after the effective date of the termination, and (ii) all warranties (excluding those that DB Contractor is unable to secure assignment of despite performing its obligations under Section 16.2.1(c)), claims, and causes of action held by DB Contractor against Subcontractors and other third parties in connection with the terminated Work, to the extent such Work is adversely affected by any Subcontractor or other third party breach of warranty, contract or other legal obligation;

(f) Subject to the prior written approval of RCTC, settle all outstanding Claims and all termination settlement proposals arising from termination of Subcontracts;

(g) No later than 30 days from the effective Termination Date, unless extended by Notice from RCTC responding to any request from DB Contractor within this 30-day period, provide RCTC with an inventory list of all materials and equipment previously produced, purchased or ordered from (i) Suppliers and (ii) Department (for Department furnished materials as described in Section 6-1.02 of Exhibit 5 (Modified Standard Specifications) for use in the Work but not yet used in the Work, including its storage location, as well as any documentation or other property required to be delivered under this Contract that is either in the process of development or previously completed but not yet delivered to RCTC, and such other information as RCTC may request; and transfer title and deliver to RCTC through bills of sale or other documents of title, as directed by RCTC, (1) the Work in process, completed Work, supplies and other material produced or acquired for the Work terminated, and (2) the Design Documents, Construction Documents, and all other completed or partially completed drawings (including plans, elevations, sections, details and diagrams), specifications, records, samples, information and other property that would have been required to be provided to RCTC if the Work had been completed;

(h) Complete performance in accordance with this Contract of all Work not terminated;

(i) Take all action that may be necessary, or that RCTC may direct, for the safety, protection and preservation of: (i) the public, including public and private vehicular movement, (ii) the Work; (iii) the property and facilities of Department and Local Agencies; and (iv) equipment, machinery, materials and property related to the Project that is in the possession, care, custody or control of DB Contractor and in which RCTC has or may acquire an interest;

(j) As authorized by Notice from RCTC, use its best efforts to sell at reasonable prices any property of the types referred to in Section 23.3(g); except that DB Contractor (i) shall not be required to extend credit to any purchaser, and (ii) may acquire the property under the conditions prescribed and at prices approved by RCTC. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by RCTC under this Contract or paid in any other manner directed by RCTC;

(k) If requested by RCTC, withdraw from the portions of the Site designated by RCTC and remove such materials, equipment, tools and instruments used by, and any debris or waste materials generated by, DB Contractor and any Subcontractor in the performance of the Work as RCTC may direct; and

(l) Take other actions directed by RCTC.

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23.4. Acceptance

23.4.1. DB Contractor shall remain responsible for damage and loss to materials after issuance of the Notice of Termination for Convenience, except as follows:

(a) DB Contractor's responsibility for damage to materials for which partial payment has been made, as provided in this Contract, shall terminate when the RCTC Representative certifies that those materials have been stored in the manner and at the locations directed by RCTC; and

(b) DB Contractor's responsibility for damage to materials purchased by RCTC after the issuance of the Notice of Termination for Convenience shall terminate when RCTC takes title and delivery of those materials.

23.4.2. When the RCTC Representative determines that DB Contractor has completed the Work directed to be completed prior to termination and such other work as may have been ordered to secure the Project for termination, the RCTC Representative will recommend that RCTC formally accept such Work, and immediately upon and after RCTC's acceptance, DB Contractor shall not be required to perform any further work thereon (except for such work that otherwise would have been required with respect to the terminated Work after Final Acceptance) and shall be relieved of maintenance responsibility for such terminated Work after RCTC formally accepts such Work.

23.5. Payment for Termination for Convenience

23.5.1. If RCTC terminates this Contract for convenience under Section 23.1, DB Contractor shall be entitled to payment of the following amounts (collectively, the "**Termination for Convenience Amount**").

(a) DB Contractor's documented Costs, without profit, and including equipment costs only to the extent permitted by Section 21.17, for all Work performed, including mobilization, demobilization, and work done to secure the Project for termination, including reasonable overhead which shall not exceed the DB Contractor Audited (G&A) Rate and accounting for any refunds payable with respect to insurance premiums, deposits, or similar items, as established to RCTC's satisfaction. In determining the reasonable Cost, deductions will be made for the Cost of materials to be retained by DB Contractor, amounts realized by the sale of materials, and for other appropriate credits against the Contract Price. Deductions will also be made, when the Contract is terminated as the result of a Force Majeure Event, for the cost of materials damaged by the "occurrence." When, in the opinion of the RCTC Representative, the Cost of a contract item of Work is excessively high due to costs incurred to remedy or replace Nonconformances, the reasonable Cost to be allowed will be the estimated reasonable Cost of performing that Work in compliance with the requirements of this Contract.

(b) As profit on Section 23.5.1(a), a sum determined by RCTC to be fair and reasonable; except that if it appears DB Contractor would have sustained a loss on the entire Contract had it been completed, no profit shall be included or allowed under this Section 23.5.1(b), and an appropriate adjustment shall be made by reducing the amount of the settlement to reflect the indicated rate of loss.

(c) The cost of settling and paying Claims arising out of the termination of Work under Subcontracts, as provided in Section 23.3(f), excluding the amounts paid or payable on account of supplies or materials delivered or services provided by the Subcontractor prior to

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the effective date of the Notice of Termination for Convenience, which amounts shall be included in the Cost on account of which payment is made under Section 23.5.1(a).

(d) The reasonable out-of-pocket cost (including the DB Contractor Audited (G&A) Rate) of the preservation and protection of property incurred in accordance with Section 23.3(i) and any other reasonable out-of-pocket cost (including the DB Contractor Audited (G&A) Rate) incidental to termination of Work under this Contract, including the reasonable cost to DB Contractor of handling material returned to a Supplier, delivered to RCTC or otherwise disposed of as directed by RCTC, and including a reasonable allowance for DB Contractor's administrative costs in determining the amount payable due to termination of the Contract.

23.5.2. DB Contractor acknowledges and agrees that the Termination for Convenience Amount shall not exceed:

(a) In the case of a Termination for Convenience during Phase 1, the Lump Sum (Phase 1), less the number of payments previously made during Phase 1;

(b) In the case of a Termination for Convenience during Phase 2, the total of the Lump Sum (Phase 1) plus the GMP (Phase 2), less the amount of payments previously made during Phase 1 and Phase 2; or

(c) The value of the terminated Work performed plus its settlement costs, and that items such as lost or anticipated profits, unabsorbed overhead, opportunity costs, and consequential damages shall not be recoverable in the Termination for Convenience Amount.

23.5.3. The Termination for Convenience Amount excludes the fair value, as determined by RCTC, of equipment, machinery, and materials that are destroyed, lost, stolen or damaged so as to become undeliverable to RCTC.

23.5.4. Upon determination of the Termination for Convenience Amount, this Contract shall be amended to reflect the terminated Work and the agreed termination payment, DB Contractor shall be paid the agreed amount, and the Contract Price shall be reduced to reflect the reduced scope of the Work.

23.5.5. If a partial termination occurs, DB Contractor may file a proposal with RCTC for an equitable adjustment of the Contract Price for the continued portion of this Contract. Any proposal by DB Contractor for an equitable adjustment under this Section 23.5.5 shall be requested within 90 days from the Termination Date unless extended by Notice from RCTC. The amount of any such adjustment as may be agreed upon shall be set forth in an amendment to this Contract.

23.6. Settlement Proposal

No later than 90 days from the Notice of Termination for Convenience, DB Contractor shall submit a final termination settlement proposal (including the proposed Termination for Convenience Amount) in a form reasonably acceptable to RCTC and with such certifications requested by RCTC. DB Contractor's termination settlement proposal shall be reviewed by RCTC and acted upon, returned with comments, or rejected. If RCTC returns the termination settlement proposal with comments, DB Contractor shall address such comments and resubmit the termination settlement proposal within 30 days after receiving RCTC's comments. If DB Contractor fails to submit the proposal within the time allowed, RCTC may determine the Termination for Convenience Amount and DB Contractor shall be bound by RCTC's determination.

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23.7. Amount of Negotiated Termination Settlement

23.7.1. DB Contractor and RCTC may agree upon the Termination for Convenience Amount, as provided and subject to the limitations in Section 23.5, by reason of any Termination for Convenience. Such negotiated settlement shall be documented in a settlement agreement, executed and delivered by the Parties, and subject to Section 23.5.1(b) may include a reasonable allowance for profit solely on Work that has been completed as of the Termination Date and subsequently inspected and accepted by RCTC.

23.7.2. Upon determination of the settlement amount, this Contract will be amended accordingly, and DB Contractor will, subject to Section 23.9 and following execution of such settlement agreement, be paid the agreed amount as described in this Section 23.7. RCTC's execution and delivery of any settlement agreement shall not affect any of its rights under this Contract with respect to completed Work, relieve DB Contractor from its obligations under this Contract, including the General Warranty, or affect the right and obligations of RCTC or DB Contractor under any Bond and/or Guaranty as to such completed or non-terminated Work.

23.8. No Agreement as to Amount of Termination Settlement for Work

If DB Contractor and RCTC fail to agree upon any amount payable to DB Contractor because of RCTC's termination of this Contract for convenience, RCTC shall pay to DB Contractor the Termination for Convenience Amount described in Section 23.5.1 (excluding interest charges and any amounts deducted in accordance with Section 23.9) as calculated by RCTC (and without duplication of any items or of any amounts agreed upon in accordance with Sections 23.5 and 23.7) within 30 days after RCTC's calculation of the Termination for Convenience Amount described in Section 23.5.1.

23.9. Conditions to Payment; Reduction in Amount of Claim

23.9.1. As a condition to its obligation to pay DB Contractor amounts due under this Section 23, but not as a condition to termination, DB Contractor shall provide RCTC the following:

(a) A list of all outstanding or pending DB Contractor Change Requests and all existing or threatened claims, Liens, and stop payment notices by Subcontractors, Utility Owners or other third parties relating to the Project;

(b) Complete and legally effective releases or waivers of Liens and stop payment notices satisfactory to RCTC, from all Persons legally eligible to file Liens and stop payment notices in connection with the Work;

(c) Consent of any Guarantors and Surety(ies);

(d) Executed release(s) meeting the requirements of Section 18.12.2(e) and otherwise satisfactory in form and content to RCTC;

(e) An affidavit from DB Contractor meeting the requirements of Section 18.12.2(e); and

(f) Such other documentation as RCTC may reasonably require.

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23.10. Payment upon Termination

23.10.1. Subject to Sections 18.11.2, 23.8, and 23.9, RCTC shall pay the Termination for Convenience Amount within 30 days after receipt of an Invoice from DB Contractor. If DB Contractor and RCTC fail to agree upon the Termination for Convenience Amount under Section 23.8, RCTC shall pay the Termination for Convenience Amount within 30 days after RCTC's calculation as to the Termination for Convenience Amount described in Section 23.5.1.

23.10.2. RCTC may from time to time, under such terms and conditions as it may prescribe and in its good faith discretion, make partial payments on account against Costs incurred by DB Contractor in connection with the terminated portion of this Contract, whenever in the opinion of RCTC the aggregate of such payments shall be within the amount to which DB Contractor will be entitled under this Contract. If the total of such payments is in excess of the Termination for Convenience Amount, such excess shall be payable by DB Contractor to RCTC upon demand together with interest at the rate of the lesser of: (a) 10% per annum; and (b) the maximum rate allowable under applicable Governmental Rules.

23.11. Allowability of Costs

All Costs claimed by DB Contractor under this Section 23 shall be allowable, allocable, and reasonable in accordance with the cost principles and procedures of 48 CFR Part 31.

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SECTION 24
DEFAULT

24.1. Default of DB Contractor

24.1.1. Events and Conditions Constituting DB Contractor Default

DB Contractor shall be in default under this Contract upon the occurrence of any one or more of the following events or conditions (each a "**DB Contractor Default**"):

(a) DB Contractor fails to: (i) promptly begin the Work under this Contract following issuance of any Notice to Proceed; or (ii) resume performance of Work that has been suspended or stopped within a reasonable time after receipt of Notice from RCTC to do so or (if applicable) after cessation of the event preventing performance;

(b) DB Contractor fails to achieve Completion of the Work or a Package under this Contract by 180 days after the applicable Completion Deadline;

(c) DB Contractor fails to perform the Work in accordance with this Contract, including DB Contractor's failure to comply with applicable standards in this Contract with respect to the Work, and refusing to remedy Nonconformances;

(d) DB Contractor suspends, ceases, stops or abandons the Work, or fails to continuously and diligently prosecute the Work excluding Work stoppages due to: (i) termination by RCTC; (ii) the occurrence and continuance of a Force Majeure Event or suspension by RCTC; or (iii) RCTC's failure to make undisputed payments to DB Contractor, in accordance with Section 24.3;

(e) DB Contractor fails to obtain, provide or maintain in full force and effect any insurance, Bonds, guarantees or other performance security as and when required under this Contract and for the benefit of relevant parties, or fails to comply with any requirement of this Contract pertaining to the amount, terms, or coverage of the same;

(f) DB Contractor makes or attempts to make, or suffers a voluntary or involuntary assignment or transfer of this Contract or any right or interest in this Contract, except as expressly permitted under Section 30.4;

(g) DB Contractor fails, absent a valid dispute, to make payment when due for labor, equipment or materials in accordance with its agreements with Subcontractors and Governmental Rules, or fails to comply with any Governmental Rule or reasonably comply with the instructions of RCTC consistent with this Contract;

(h) DB Contractor fails to (i) make payment when due to RCTC of any amounts owing to RCTC under this Contract, including Liquidated Damages or Lane Closure Charges or (ii) deposit funds to any custodial account, trust account or other reserve or account in the amount and within the time period required by this Contract;

(i) DB Contractor fails to timely observe or perform, or fails to cause to be timely observed or performed, any other agreement or covenant that DB Contractor is required to perform under this Contract;

(j) Any Guarantor revokes or attempts to revoke its obligations under its Guaranty, or otherwise takes the position that such instrument is no longer in full force and effect;

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(k) Issuance of any final judgment holding DB Contractor or any of its equity members liable for an amount in excess of $100,000 based on a finding of intentional or reckless misconduct or violation of a state or federal false claims act;

(l) Any representation or warranty made by DB Contractor or any Guarantor in this Contract (including the Proposer Questionnaire included in the SOQ Step 1 Submittal), or any certificate, schedule, instrument or other document delivered by DB Contractor in accordance with this Contract was false or materially misleading when made;

(m) DB Contractor commences a voluntary case seeking liquidation, reorganization or other relief with respect to DB Contractor or DB Contractor's debts under any U.S. or foreign bankruptcy, insolvency or other similar Governmental Rule; seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of its, or any substantial part of its, assets; becomes insolvent, or generally does not pay its debts as they become due; provides notice of its inability to pay its debts; makes an assignment for the benefit of creditors; or takes any action to authorize any of the foregoing;

(n) An involuntary case is commenced against DB Contractor seeking liquidation, reorganization, dissolution, winding up, a composition or arrangement with creditors, a readjustment of debts or other relief with respect to such DB Contractor or DB Contractor's debts under any U.S. or foreign bankruptcy, insolvency or other similar Governmental Rule; seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets; seeking the issuance of a writ of attachment, execution, or similar process; or seeking like relief, and such involuntary case shall not be contested by it in good faith or shall remain undismissed and unstayed for a period of 60 days;

(o) In any voluntary or involuntary case seeking liquidation, reorganization or other relief with respect to DB Contractor or its debts under any U.S. or foreign bankruptcy, insolvency or other similar Governmental Rule, this Contract, is rejected, including a rejection under 11 U.S.C. section 365 or any successor statute;

(p) Any voluntary or involuntary case or other act or event described in Sections 24.1.1(m) through (q) shall occur (and in the case of an involuntary case shall not be contested in good faith or shall remain undismissed and unstayed for a period of 60 days) with respect to (i) any member, partner or joint venture member of DB Contractor (unless said Person has fully met all financial obligations owing to DB Contractor investment and payments or transfers of money or property previously made to or for the benefit of DB Contractor are not subject to sections 544, 547, 548 or 550 of the Bankruptcy Code or any similar applicable state or federal Governmental Rule respecting the avoidance or recovery of preferences or fraudulent transfers, including any applicable enactment of the Uniform Fraudulent Transfer Act), (ii) any member, partner or joint venture member of DB Contractor for whom transfer of ownership or management authority would constitute a prohibited assignment under Section 30.4 or impermissible Change of Control, or (iii) any Guarantor of DB Contractor obligations to RCTC under this Contract, unless another Guarantor of the same obligations then exists, is solvent, is not and has not been the debtor in any such voluntary or involuntary case, has not repudiated its guaranty and is not in breach of its guaranty; and

(q) After any rights of appeal have been exhausted, DB Contractor, any Affiliate or any Subcontractor (i) is determined disqualified, suspended or debarred, or otherwise excluded from bidding, proposing or contracting with a federal or a State department or agency, or (ii) has not dismissed any Subcontractor whose work is not substantially complete and who is determined disqualified, suspended or debarred, or otherwise excluded from bidding, or proposing or contracting with a federal or a State department or agency.

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24.1.2. Notice and Opportunity to Cure

(a) Except with respect to the DB Contractor Defaults described in Sections 24.1.1(d), (e), (f), (h), (j), and (g), DB Contractor and Surety shall be entitled to 15 days' Notice and opportunity to cure any DB Contractor Default before an Event of Default is declared.

(b) No notice and opportunity to cure is required for any DB Contractor Default that by its nature cannot be cured. Failure to provide notice to Surety or any Guarantor shall not preclude RCTC from exercising its remedies against DB Contractor.

(c) If a DB Contractor Default (other than the DB Contractor Defaults described in Sections 24.1.1(d), (e), (f), (h), (j), and (g) is capable of cure but, by its nature, cannot be cured within 15 days, as determined by RCTC, such additional period of time shall be allowed as may be reasonably necessary to cure the DB Contractor Default, so long as DB Contractor commences such cure within such 15-day period and thereafter diligently prosecutes such cure to completion; except that, in no event shall such cure period exceed 60 days in total.

(d) In the event of a DB Contractor Default under Section 24.1.1(e) or (h), DB Contractor shall be entitled to seven days' Notice and opportunity to cure.

(e) DB Contractor acknowledges and agrees that the DB Contractor Defaults described in Sections 24.1.1(d), (f), (j), and (g) are not curable and no notice or cure period shall apply; except that, if a DB Contractor Default under Section 24.1.1(m) or (n) arises due solely to the specified acts or events of a Guarantor, then DB Contractor shall have an opportunity to cure such DB Contractor Default, within two Business Days after the occurrence thereof (without any requirement of notice from RCTC), by providing RCTC with alternative security, which security must be in a form satisfactory to RCTC, in its sole discretion.

(f) Notwithstanding the foregoing, RCTC may, without Notice and without awaiting lapse of the period to cure any DB Contractor Default, in the event of existence of a condition on or affecting the Project which RCTC believes poses an immediate and imminent danger to revenues or public health or safety, rectify the dangerous condition at DB Contractor's cost, and so long as RCTC undertakes such action in good faith, even if under a mistaken belief in the occurrence of such DB Contractor Default, such action shall not expose RCTC to any liability to DB Contractor and shall not entitle DB Contractor to any other remedy, it being acknowledged that RCTC has a paramount public interest in providing and maintaining safe public use of and access to the Project. RCTC's good faith determination of the existence of such danger shall be deemed conclusive in the absence of clear and convincing evidence to the contrary.

24.2. Remedies

24.2.1. If any DB Contractor Default is not subject to cure or is not cured within the applicable cure period (if any) specified in Section 24.1.2, RCTC may provide Notice to DB Contractor that an "Event of Default" has occurred and may exercise all rights and remedies available at law or in equity and such other rights available under this Contract, the Performance Bond, the Warranty Bond and the Guaranty. In addition to such rights and remedies, RCTC may without further notice and without waiving or releasing DB Contractor from any obligations, and DB Contractor shall have the following obligations (as applicable):

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(a) RCTC may terminate this Contract in whole or part, including DB Contractor's rights of entry upon the Site and possession, control and operation of the Project, in which case, the provisions of Sections 23.3 and 23.4 shall apply;

(b) If and as directed by RCTC, DB Contractor shall discontinue the Work, withdraw from the Site, and shall remove materials, equipment, tools, and instruments used by, and any debris or waste materials generated by, any DB-Related Entity in the performance of the Work;

(c) DB Contractor shall deliver to RCTC possession of any or all Design Documents, Construction Documents, and all other completed or partially completed drawings (including plans, elevations, sections, details and diagrams), specifications, records, information, schedules, samples, shop drawings, electronic files and other documents and facilities related to the Project that RCTC deems necessary to complete the Work;

(d) DB Contractor shall confirm the assignment to RCTC of the Subcontracts requested by RCTC, and DB Contractor shall terminate all other Subcontracts;

(e) RCTC may deduct from any amounts payable by RCTC to DB Contractor such amounts payable by DB Contractor to RCTC, including: (i) the aggregate of reimbursements owing; (ii) Liquidated Damages; (iii) Lane Closure Charges; (iv) 125% of the amounts RCTC deems advisable to cover any existing or threatened claims, Liens, and stop payment notices of Subcontractors, laborers, or other Persons; (vi) amounts of any Losses or Third Party Claims that have accrued (vii) the cost to complete or remediate uncompleted Work or Nonconformances, plus an administrative charge equal to 10% of such costs; and (viii) other damages or amounts that RCTC has determined are or may be payable to RCTC under this Contract;

(f) RCTC may pay such amounts and/or perform such act as may then be required from DB Contractor under this Contract or Subcontracts;

(g) RCTC may appropriate any or all materials and equipment on the Site as may be suitable and acceptable and may direct the Surety to complete the Project or may enter into an agreement to complete the Project according to the terms and provisions hereof with another contractor or the Surety, or use such other methods as may be required to complete the Project, including completion of the Project by RCTC; and/or

(h) If RCTC exercises any right to perform any obligations of DB Contractor, in the exercise of such right RCTC may: (i) perform or attempt to perform, or cause to be performed, such work; (ii) spend such sums as RCTC deems necessary and reasonable to employ and pay such architects, engineers, consultants and contractors, and obtain materials and equipment as may be required to complete such work; (iii) execute all applications, certificates and other documents as may be required to complete the work; (iv) modify or terminate any contractual arrangements; (v) take any other actions that RCTC may consider necessary to complete the Work; and (vi) prosecute and defend any action or proceeding incident to the Work.

24.2.2. If an Event of Default occurs, DB Contractor, any Guarantor and Surety shall be jointly and severally liable to RCTC for all Losses incurred by RCTC or any party acting on RCTC's behalf to complete the Work, or to have the Work completed by another Person (including any re-procurement costs, throw-away costs for unused portions of the completed Work, and increased financing costs). Upon occurrence of an Event of Default and for so long as the Event of Default continues, RCTC may withhold all or any portion of further payments

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to DB Contractor until the Final Acceptance Date or the date on which RCTC otherwise accepts the Project as complete or determines that it will not proceed with completion, at which time RCTC will determine whether DB Contractor is entitled to further payments. Promptly following the Final Acceptance Date or the date on which RCTC otherwise accepts the Project as complete or determines that it will not proceed with completion, the total cost of all completed Work shall be determined, and RCTC shall provide Notice to DB Contractor, Surety and each Guarantor of the amount, if any, that DB Contractor, each Guarantor, and the Surety shall pay RCTC or RCTC shall pay DB Contractor or its Surety with respect thereto. RCTC will deduct, from any moneys due or which will become due DB Contractor or its Surety, all costs and charges incurred by RCTC, including attorneys', accountants' and expert witness fees and costs; together with: (a) the cost of completing the Work (which shall include all Plant Establishment Work) under this Contract together with an administrative charge of 10% of such costs; (b) any reimbursements owing to RCTC; (c) any Liquidated Damages and Lane Closure Charges (d) 125% of the amounts RCTC deems advisable to cover any existing or threatened claims, Liens and stop payment notices of Subcontractors, laborers or other Persons; (e) the amounts of any Losses or Third Party Claims that have accrued; and (f) other damages or amounts that RCTC has determined are or may be payable to RCTC under this Contract. If such expense exceeds the sum which would have been payable under the Contract, then DB Contractor, each Guarantor and its Surety(ies) shall be liable and shall pay to RCTC the amount of such excess. If any Guarantor or the Surety fails to pay such amount immediately upon RCTC's demand, then RCTC may collect interest from the Surety and/or such Guarantors on the amounts DB Contractor is required to pay in excess of the remaining balance of the Contract Price. The interest rate which the Surety and/or such Guarantors shall pay shall be the lesser of (i) 10% per annum or (ii) the maximum rate allowable under applicable Governmental Rules. The interest rate shall accrue on all amounts RCTC has had to pay in excess of the remaining balance of the Contract Price from the date of RCTC payment.

24.2.3. DB Contractor acknowledges that if a DB Contractor Default under Section 24.1.1(m) through 24.1.1(p) occurs, such event could impair or frustrate DB Contractor's performance of the Work. Accordingly, DB Contractor agrees that upon the occurrence of any such DB Contractor Default, RCTC may request that DB Contractor, or its successor in interest, provide adequate assurance of future performance in accordance with the terms and conditions hereof. Failure to comply with such request within ten days of delivery of the request shall entitle RCTC to terminate the Contract and to the accompanying rights set forth above. Pending receipt of adequate assurance of performance and actual performance in accordance therewith, RCTC may proceed with the Work with its own forces or with other contractors on a time and material or other appropriate basis, the cost of which (plus an administrative charge of 10% of such cost) will be credited against and deducted from RCTC's payment obligations under this Contract. The foregoing shall be in addition to all other rights and remedies provided by law or equity and such rights and remedies as are otherwise available under this Contract, the Performance Bond and the Guaranty.

24.2.4. In lieu of the provisions of this Section 24.2 for terminating the Contract and completing the Work, RCTC may pay DB Contractor for the Work already done

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according to the provisions of this Contract (including RCTC's right to deduct certain amounts therefrom) and may treat the Work remaining undone as if they had never been included or contemplated by this Contract. No claim under this provision will be allowed for prospective profits on, or any other compensation relating to, Work uncompleted by DB Contractor.

24.2.5. In the event that the Contract is terminated for grounds which are later determined not to justify a termination for default, such termination shall be deemed to constitute a termination for convenience in accordance with Section 23.

24.2.6. The exercise or beginning of the exercise by RCTC of any one or more rights or remedies under this Section 24.2 shall not preclude the simultaneous or later exercise by RCTC of any or all other such rights or remedies, each of which shall be cumulative.

24.2.7. DB Contractor, each Guarantor and Surety shall not be relieved of liability for continuing Liquidated Damages or Lane Closure Charges on account of a DB Contractor Default by DB Contractor under this Contract or by RCTC's declaration of an Event of Default, or by actions taken by RCTC under this Section 24.2.

24.2.8. In the event RCTC suffers Losses as a result of any act or omission of any DB-Related Entity or any DB Contractor Fault, then, subject to the limitation on liability contained in Section 26, RCTC may recover such Losses from DB Contractor regardless of whether the breach or failure that gives rise to the damages ripens into an Event of Default.

24.2.9. RCTC's remedies associated with any false statement contained in the Proposer Questionnaire included in the SOQ Step 1 Submittal shall include the right to rescind the Contract.

24.3. Right to Stop Work for Failure by RCTC to Make Undisputed Payment

DB Contractor may stop Work if RCTC fails to make an undisputed payment due under this Contract within 30 days after receipt of Notice of nonpayment. Any such Work stoppage shall be considered a suspension for convenience under Section 23. DB Contractor shall not have the right to terminate the Contract for default as the result of any failure by RCTC to make an undisputed payment due under this Contract. However, if such nonpayment continues for more than 180 days, upon Notice from DB Contractor to RCTC, DB Contractor may declare a Termination for Convenience under Section 23 by delivering to RCTC a Notice of termination specifying its effective date. Upon such termination, the Parties' rights and obligations shall be as provided in Section 23.

24.4. Event of Default Due Solely to DB Contractor's Failure to Achieve Completion Deadlines

24.4.1. If an Event of Default consists solely of DB Contractor's failure to achieve Substantial Completion, Project Completion, or Final Acceptance by the applicable Completion Deadline, RCTC's sole monetary remedy for such Event of Default shall be the right to assess Liquidated Damages under Section 25.1; provided, however, that: (a) such Event of Default does not delay Substantial Completion, Project Completion, or Final Acceptance beyond 180-days of the

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applicable Completion Deadline; and (b) DB Contractor continues to diligently perform the Work despite such Event of Default. Nothing in this Section 24.4 shall prejudice any other rights or remedies that RCTC may have due to any other Event of Default during such 180-day period.

24.4.2. If any Completion Milestone has not occurred within 180-days of the applicable Completion Deadline, RCTC may: (a) terminate this Contract; (b) continue to assess Liquidated Damages subject only to the limitations in Section 25.1; and/or (c) exercise any other right or remedy under this Contract, at law or in equity.

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SECTION 25
LIQUIDATED DAMAGES

25.1. Liquidated Damages for Delay in Completion

25.1.1. DB Contractor shall be liable for and pay to RCTC Liquidated Damages set out in the Contract Particulars with respect to any failure to achieve a Completion Milestone by the applicable Completion Deadline. This liability shall apply to DB Contractor whether a cure period remains available to DB Contractor, or a cure occurs.

25.1.2. The Liquidated Damages under this Section 25.1 shall commence on the applicable Completion Deadline and shall continue to accrue until 365 days after the date of the applicable Completion Deadline, or until termination of this Contract. Such Liquidated Damages shall constitute RCTC's sole right to monetary damages for Completion Deadline delay for 180 days after the date of Completion, after which RCTC may exercise other rights and remedies under the Contract, at law or in equity.

25.1.3. The application of Liquidated Damages under this Section 25.1, shall not: (a) liquidate DB Contractor's liability under the indemnification provisions of Section 27, even though Third Party Claims against Indemnified Parties may arise out of the same event, breach, or failure that gives rise to the Liquidated Damages; or (b) limit RCTC's rights to terminate this Contract under Section 23 or Section 24.

25.2. Lane Closure Charges for Lane Closures on General Purpose Lanes and 15 Express Lanes

25.2.1. DB Contractor shall perform the Work in a manner that will reasonably minimize impacts to the operations of the GP Lanes, 15 Express Lanes, including minimizing Lane Closures.

25.2.2. For Lane Closures between NTP Phase 1 and the end of the Warranty Period (or as otherwise expressly stated in Exhibit 6 (Lane Closures) – Chart 6-1), DB Contractor shall be liable for and pay the following fees and/or charges to RCTC:

(a) Permitted GP Lane Closures at the locations and during the periods approved by RCTC and the Department, shall be at no charge to DB Contractor, so long as the Lane Closure complies with the requirements for Lane Closures in this Contract. Where a Permitted GP Lane Closure goes beyond or outside the duration approved by RCTC or does not comply with the requirements for Lane Closures in this Contract, it is an Unpermitted GP Lane Closure and Section 25.2.2(b) shall apply.

(b) For an Unpermitted GP Lane Closure, DB Contractor shall pay GP Lane Closure Charges for each affected GP Lane as set forth in Exhibit 6 (Lane Closures) – Chart 6-1.

(c) For Permitted 15 EL Closures of Segment 1 Northbound and Segment 4 Southbound, DB Contractor shall pay 15 EL Closure Charges for each affected EL Segment as set forth in Exhibit 6 (Lane Closures) – Chart 6-2.

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(d) For Unpermitted 15 EL Closures of Segment 1 Northbound, Segment 4 Southbound, and any other operational Express Lanes Segments or Express Lane Connectors collecting toll revenue, DB Contractor shall pay 15 EL Closure Charges for each affected EL Segment as set forth in Exhibit 6 (Lane Closures) – Chart 6-3.

25.2.3. DB Contractor shall pay the Lane Closure Charges owing under this Contract to RCTC on a quarterly basis, within 30 days from receipt of RCTC's invoice.

25.2.4. Without limiting Section 25.5, if DB Contractor fails to timely make any timely payment of Lane Closure Charges, then:

(a) RCTC may prohibit DB Contractor from pursuing or implementing any further Permitted Lane Closures, until such past due payments are made; and

(b) DB Contractor shall not be entitled to any compensation, time extension or otherwise make any Claim arising out of any inability to pursue or implement such Permitted Lane Closures.

25.2.5. When RCTC permits or requires DB Contractor to proceed with a Permitted Lane Closure after DB Contractor has failed to timely pay Lane Closure Charges, as provided in this Contract, this shall not waive RCTC's right to receive damages under this Contract or any rights or remedies otherwise available to RCTC, as applicable.

25.3. Liquidated Damages for Failure to Comply with Requests for Lane Closures of General Purpose Lanes

DB Contractor shall be subject to Liquidated Damages under this Section 25.3 for failure to comply with requests for GP Lane Closures (including failure to timely cancel). Subject to the monthly threshold in TP Section 18.3.3.1.1, the amount of Liquidated Damages owing from DB Contractor to RCTC for each failure shall be $5,000. These Liquidated Damages are in addition to any fees or costs associated with the Construction Zone Enhanced Enforcement Program ("**COZEEP**"), which DB Contractor shall reimburse RCTC for in accordance with TP Section 18.4.1.2. RCTC will invoice DB Contractor on a quarterly basis for all Liquidated Damages accrued. DB Contractor shall remit payment within 30 days from the receipt of the invoice.

25.4. Liquidated Damages for Unavailability of Key Personnel

DB Contractor shall be subject to Liquidated Damages for unavailability of Key Personnel to work on the Project, in accordance with Section 6.5.

25.5. Acknowledgements Regarding Liquidated Damages or Lane Closure Charges

25.5.1. The Parties acknowledge and agree that if DB Contractor fails to comply with certain obligations under this Contract, DB Contractor shall be liable to RCTC for liquidated damages. Liquidated damages (collectively, "**Liquidated Damages**") and Lane Closure Charges shall apply and be payable in accordance with Sections 25.1, 21.2, 25.3, and 25.4.

25.5.2. The Parties acknowledge and agree:

(a) That RCTC shall incur damages that are incapable of accurate measurement, because of, among other things the unique nature of the Project and the

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unavailability of a substitute for it. Such damages include loss of use, enjoyment and benefit of the Project, and connecting RCTC transportation facilities by the general public, injury to the credibility and reputation of RCTC's transportation improvement program with policy makers and with the general public who depend on and expect availability of service on the Project and15 Express Lanes which injury to credibility and reputation may directly result in loss of ridership on the Project, 15 Express Lanes, and additional costs of administering this Contract (including engineering, legal, accounting, overhead and other administrative costs);

(b) To fix the Liquidated Damages and Lane Closure Charges payable by DB Contractor to RCTC in the event of the Liquidated Damages Events and Lane Closure Charges (as applicable) and avoid later Disputes over what amounts of damages are properly chargeable to DB Contractor for such Liquidated Damages Events given the difficulties of the proof of loss, and the inconvenience or infeasibility of otherwise obtaining an adequate remedy;

(c) That the Liquidated Damages and Lane Closure Charges are reasonable and represent good faith estimates and evaluations by the Parties as to the actual, potential damages or harm RCTC would incur as a result of the applicable Liquidated Damages Event or Lane Closure Charges (as applicable);

(d) That the Parties intend for the Liquidated Damages in Section 25.1 to constitute "liquidated damages" as such term is used in Government Code section 53069.85 to the extent said statute may apply, and to constitute "stipulated damages" to the extent that said statute is not applicable; and

(e) The Liquidated Damages and Lane Closure Charges (as applicable) do not constitute a penalty.

25.6. Payment; Offset; Reduction; Waiver; Non-Exclusive Remedy

25.6.1. Except for the Liquidated Damages set out in Section 25.2.3, DB Contractor shall pay any Liquidated Damages and Lane Closure Charges owing, within 30 Days after DB Contractor's receipt of RCTC's invoice or demand therefor.

25.6.2. RCTC may deduct and offset any unpaid Liquidated Damages and Lane Closure Charges from any amounts owed by RCTC to DB Contractor, including any Retainage which may be payable by RCTC to DB Contractor in accordance with Section 18.11.1. RCTC also may draw on any bond, certificate of deposit, letter of credit or other security provided by DB Contractor in accordance with this Contract to satisfy Liquidated Damages and Lane Closure Charges not paid when due.

25.6.3. Permitting or requiring DB Contractor to continue and finish the Work or any part thereof after a Completion Deadline as applicable shall not act as a waiver of RCTC's right to receive Liquidated Damages and Lane Closure Charges under this Contract or any rights or remedies otherwise available to RCTC.

25.6.4. Subject to Section 24.4, RCTC's right to, and imposition of, Liquidated Damages and Lane Closure Charges are in addition, and without prejudice, to any other rights and remedies available to RCTC under this Contract, at law or in equity respecting the breach, failure to perform or DB Contractor Default, except for recovery of the monetary damage that the Liquidated Damages and Lane Closure Charges are intended to compensate.

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SECTION 26
LIMITATION OF DB CONTRACTOR'S LIABILITY

26.1. Limitation of Liability

26.1.1. Subject to Section 26.1.2, during Phase 1, DB Contractor's aggregate liability under this Contract to RCTC whether arising in contract, negligence or other tort, or any other theory of law shall not exceed 100% of the Lump Sum (Phase 1). Subject to Section 26.1.2, during Phase 2, DB Contractor's aggregate liability under this Contract to RCTC with respect to Phase 2 whether arising in contract, negligence or other tort, or any other theory of law shall not exceed an amount equal to the sum of 100% of the Lump Sum (Phase 1) and 50% of the GMP (Phase 2).

26.1.2. The limitations on DB Contractor's liability under Section 26.1.1 shall not apply to, and DB Contractor shall remain liable for:

(a) All those costs reasonably incurred by RCTC or any party acting on RCTC's behalf to complete or correct the Work, or to have the Work completed or corrected by another Person, including costs as described in Section 28;

(b) Any Losses incurred where DB Contractor abandons the Project Assets in whole or part;

(c) Any Losses, to the extent they are covered by insurance required to be carried under this Contract or for which DB Contractor was required to provide under this Contract if coverage is not in force;

(d) Any fines or penalties levied or imposed by any Governmental Entity to the extent arising out of any DB Contractor Fault;

(e) Subject to Section 27.1.4(e), DB Contractor's liability for its indemnity obligations as provided in this Contract;

(f) Any Losses incurred by any Indemnified Party in connection with, relating to or arising out of any gross negligence, fraud, bad faith, recklessness, criminal conduct, intentional misconduct, or breach of Governmental Rule by any DB Contractor-Related Entity;

(g) DB Contractor's obligation to pay Lane Closure Charges or Liquidated Damages under this Contract (excluding Liquidated Damages under Section 25.1); and

(h) Any Losses arising out of any DB Contractor Hazardous Materials Release.

26.2. Consequential Damages

26.2.1. Except as otherwise expressly specified in this Contract, including this Section 26, to the extent permitted by applicable Governmental Rules, neither Party shall be liable to the other for punitive, indirect, incidental or consequential damages, whether arising out of breach of this Contract, tort (including negligence) or any other theory of liability, and each Party releases the other Party from any such liability.

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26.2.2. The limitations on DB Contractor's liability under this Section 26.2 shall not apply to or limit any right of recovery RCTC may have with respect to the following (and DB Contractor agrees that it shall not assert the application of Section 26.2.1 against any such item, obligation, liability or Losses):

(a) Any amounts paid or payable by or on behalf of DB Contractor which are covered by insurance proceeds required to be carried under this Contract, or for which DB Contractor was required to provide insurance if coverage is not in force;

(b) Losses in connection with any illegal activities, fraud, recklessness, criminal conduct, intentional misconduct, bad faith, or gross negligence on the part of any DB-Related Entity;

(c) Subject to Section 27.1.4(e), DB Contractor's indemnities under Section 27 or elsewhere in this Contract;

(d) DB Contractor's obligation to pay Lane Closure Charges or Liquidated Damages under this Contract; and

(e) Losses arising out of DB Contractor Release of Hazardous Materials.

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SECTION 27
INDEMNIFICATION

27.1. Indemnifications by DB Contractor

27.1.1. Subject to Section 27.1.2, DB Contractor shall release, defend, indemnify and hold harmless the Indemnified Parties from and against any and all Claims and Losses in connection with the following (each an "**Indemnified Claim**"):

(a) The breach or alleged breach of this Contract by any DB-Related Entity;

(b) The failure or alleged failure by any DB-Related Entity to comply with the Governmental Approvals or Governmental Rules (including any Environmental Laws);

(c) Any alleged patent or copyright infringement or other allegedly improper appropriation or use of trade secrets, patents, proprietary information, know-how, copyright rights or inventions in connection with the Project, this Contract and the Work and/or the system of methods, processes, designs, information or other items provided or communicated to RCTC or another Indemnified Party in accordance with this Contract; provided that if infringement can be avoided by modification to the allegedly infringing article, RCTC agrees to allow such modification unless the form, fit, or function of the allegedly infringing article or the system is, in RCTC's sole determination, adversely affected; and further provided that this indemnity shall not apply to any infringement to the extent directly and solely resulting from: (i) RCTC's material failure to comply with a material specific prior written instruction regarding use provided to RCTC by DB Contractor; (ii) compliance with written specifications prescribed by RCTC with respect to which: (1) DB Contractor has complied in full; (2) the reason for the infringement solely and directly arises out of RCTC's specifications; and (3) DB Contractor has notified RCTC in writing in advance of potential infringement and RCTC has directed DB Contractor to proceed and disregard the potential infringement; or (iii) material modifications to the deliverables directed by RCTC and not made by a DB-Related Entity;

(d) The actual or alleged negligent act, error or omission, illegal activities, fraud, recklessness, criminal conduct, intentional misconduct, bad faith or gross negligence or of any DB-Related Entity or any DB Contractor Fault in or associated with performance of the Work and/or this Contract;

(e) Any and all Claims by any Governmental Entity or taxing authority claiming taxes based on gross receipts, purchases or sales, the use of any property or income of any DB-Related Entity or any of their respective agents, officers or employees with respect to any payment for the Work made to or earned by any DB-Related Entity;

(f) Any and all stop payment notices and/or Liens filed in connection with the Work, including all reasonable expenses and attorneys', accountants' and expert witness fees and costs incurred in discharging any stop payment notice or Lien and any other liability to Subcontractors for failure to pay sums due for their work or services; provided that RCTC is not in default in undisputed payments owing to DB Contractor with respect to such Work;

(g) Any DB Contractor Release of Hazardous Materials;

(h) To the extent of the negligence of any DB-Related Entity or failure to comply with DB Contractor's obligations under Section 4 or Section 25; the claim or assertion by any other contractor (excluding Other RCTC Contractors) that any DB-Related Entity (i) interfered with or hindered the progress or completion of work being performed by such other contractor, so

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as to cause inconvenience disruption, delay, or loss, except where the DB-Related Entity was not in any manner engaged in performance of the Work, or (ii) failed to cooperate reasonably with other contractors in accordance therewith;

(i) DB Contractor's performance of, or failure to perform, the obligations under any Utility Agreement(s) which are DB Contractor's responsibility in accordance with this Contract, or any dispute between DB Contractor and a Utility Owner as to whether work relating to a Relocation constitutes a Betterment;

(j) Any DB-Related Entity's breach of or failure to perform an obligation that RCTC owes to a third Person, including Governmental Entities and Utility Owners, under law or under any agreement between RCTC and a third Person, where (i) RCTC has delegated performance of the obligation to DB Contractor under this Contract, or (ii) the acts or omissions of any DB-Related Entity which render RCTC unable to perform an obligation that RCTC owes to a third Person, including Governmental Entities and Utility Owners, under any agreement between RCTC and a third Person, where the agreement was expressly disclosed to DB Contractor;

(k) Inverse condemnation, trespass, nuisance, or similar taking of or harm to real property by reason of (i) the failure of any DB-Related Entity to comply with Good Industry Practices, requirements of this Contract, Administrative Project Plans or Governmental Approvals, (ii) the fraud, criminal conduct, bad faith, intentional misconduct, recklessness or negligence of any DB-Related Entity, or (iii) the actual physical entry onto or encroachment upon another's property by any DB-Related Entity not permitted under this Contract;

(l) Any failure to pay any Liquidated Damages or Lane Closure Charges under this Contract; and/or.

(m) Subject to Section 27.1.2, Errors in the Design Documents provided by DB Contractor (including those pertaining to Relocations), regardless of whether such Errors were also included in the Reference Documents. DB Contractor agrees that, because the concepts in the Reference Documents are subject to review and modification by DB Contractor, (i) it is appropriate for DB Contractor to assume liability for Errors in the completed Project even though they may be related to Errors in the Reference Documents, and (ii) such documents shall not be deemed "design furnished" by RCTC or any of the other Indemnified Parties, as the term "design furnished" is used in Civil Code section 2782 and as it pertains to Section 27.1.4(a). DB Contractor agrees to waive the benefit (if any) of Civil Code section 2782 and agrees that this Section 27.1.1(m) constitutes an agreement governed by Civil Code section 2782.5.

27.1.2. Subject to the releases and disclaimers under this Contract, DB Contractor's indemnity under this Section 27 shall not extend to any Claim or Losses to the extent that such Claim or Losses were directly caused by:

(a) Without limiting Section 27.1.4(a) the active negligence, gross negligence, reckless or willful misconduct, bad faith or fraud of such Indemnified Party;

(b) RCTC's material breach of any of its obligations under this Contract; or

(c) An Indemnified Parties material violation of any applicable Governmental Rules or Governmental Approvals.

27.1.3. With respect to Claims by an employee of DB Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Section 27 shall not be

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limited by any limitations under workers' compensation, disability benefit or other employee benefits laws, including limitations on the amount or type of damages, compensation or benefits payable by or for DB Contractor or a Subcontractor.

27.1.4. The following restrictions shall apply to the indemnities in Sections 27.1.1:

(a) Except as permitted by Civil Code sections 2782.1, 2782.2 and 2782.5, such indemnities shall not inure to the benefit of an Indemnified Party so as to impose liability on DB Contractor for the active negligence of RCTC, or to relieve RCTC of liability for such active negligence.

(b) With respect to Work performed by a design professional as defined in California Civil Code section 2782.8, such indemnities shall apply only to the extent permitted by said section 2782.8.

(c) In Claims by an employee of DB Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Section 27 is not limited by a limitation on the amount or type of damages, compensation or benefits payable by or for DB Contractor or a Subcontractor under workers' compensation, disability benefit or other employee benefits laws.

(d) DB Contractor is advised that Utility Agreements may include certain agreements by RCTC to indemnify, defend and hold harmless the Utility Owners with respect to certain matters. DB Contractor's obligations under this Section 27 shall automatically apply to require DB Contractor, subject to Section 27.1.2, to release, indemnify, defend and hold harmless the Utility Owners and their employees and agents, in addition to the Indemnified Parties, with respect to all such matters. If any Utility Agreements contain provisions requiring RCTC's contractor(s) to indemnify, save and hold harmless the Utility Owner with respect to any matters, then, subject to Section 27.1.2, DB Contractor agrees to and shall perform and comply with such provisions of the Utility Agreements for the benefit of the Utility Owners, their employees and agents.

(e) The requirement to provide an indemnity for breach or alleged breach of this Contract as provided in Section 27.1.1(a) is intended to provide protection to RCTC with respect to third-party claims associated with such breach or alleged breach. It is not intended to provide RCTC with an alternative cause of action for damages incurred by RCTC with respect to such breach or alleged breach.

27.2. Defense and Indemnification Procedures

27.2.1. If an Indemnified Party receives notice of a Claim or other item covered under this Section 27, or otherwise has Actual Knowledge of an Indemnified Claim that it believes is within the scope of the indemnities provided under this Section 27, then, as soon as practicable after receipt of the Indemnified Claim, RCTC shall by Notice:

(a) Inform DB Contractor of the Indemnified Claim;

(b) Send to DB Contractor a copy of all written materials RCTC has received asserting such Indemnified Claim; and

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(c) Notify DB Contractor that if no insurer accepts defense of the Indemnified Claim, the Indemnified Party will conduct its own defense unless DB Contractor accepts the tender of the Indemnified Claim in accordance with Section 27.2.4.

27.2.2. As soon as practicable after DB Contractor receives Notice of an Indemnified Claim or otherwise has Actual Knowledge of an Indemnified Claim, it shall tender the Indemnified Claim by Notice to the insurers under all potentially applicable insurance policies. RCTC and other Indemnified Parties also may tender such Indemnified Claims directly to such insurers.

27.2.3. If the insurer under any applicable insurance policy accepts the tender of defense, RCTC and DB Contractor shall cooperate in the defense as required by the insurance policy. If no insurer under potentially applicable insurance policies provides defense, then Section 27.2.4 shall apply.

27.2.4. If the defense is tendered to DB Contractor, then within 30 days after receipt of the tender, DB Contractor shall notify the Indemnified Party whether it has tendered the matter to an insurer and (if not tendered to an insurer or if the insurer has rejected the tender) shall deliver a Notice stating that DB Contractor:

(a) Accepts the tender of defense and confirms that the Indemnified Claim is subject to full indemnification under this Contract without any "reservation of rights" to deny or disclaim full indemnification thereafter;

(b) Accepts the tender of defense but with a "reservation of rights" in whole or in part; or

(c) Rejects the tender of defense based on a determination that it is not required to indemnify against the Indemnified Claim under the terms of this Contract.

27.2.5. If DB Contractor accepts the tender of defense under Section 27.2.4(a), DB Contractor may select legal counsel for the Indemnified Party, subject to reasonable approval by the Indemnified Party, and DB Contractor shall otherwise control the defense of such Indemnified Claim, including settlement, and bear the fees and costs of defending and settling such Indemnified Claim; except that RCTC has the right of prior approval of any settlement that waives any defenses or rights of RCTC, increases RCTC's risk, including Project risk, or relates to or may impact the Work or the design, construction, operations, maintenance, financing, or revenues of the Project. During such defense:

(a) DB Contractor shall fully and regularly inform the Indemnified Party in writing of the progress of the defense and of any settlement discussions; and

(b) The Indemnified Party shall fully cooperate in said defense, provide to DB Contractor all materials and access to personnel that DB Contractor requests as necessary for defense, preparation and trial, and which or who are under the control of or reasonably available to the Indemnified Party, and use reasonable efforts to maintain the confidentiality of all communications between it and DB Contractor concerning such defense.

27.2.6. If DB Contractor responds to the tender of defense as specified in Section 27.2.4(b) or 27.2.4(c), the Indemnified Party may select its own legal

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counsel and otherwise control the defense of such Indemnified Claim, including settlement.

27.2.7. Notwithstanding DB Contractor's acceptance of a tender of defense under Section 27.2.4(a) or 27.2.4(b), the Indemnified Party may assume its own defense by delivering to DB Contractor Notice of such election and the reasons therefore, if the Indemnified Party, at the time it gives Notice of the Indemnified Claim or at any time thereafter, reasonably determines that:

(a) A conflict exists between the Indemnified Party and DB Contractor which prevents or potentially prevents DB Contractor from presenting a full and effective defense;

(b) DB Contractor is otherwise not providing an effective defense in connection with the Indemnified Claim; or

(c) DB Contractor lacks the financial capacity to satisfy potential liability or to provide an effective defense.

27.2.8. If the Indemnified Party is entitled to and elects to conduct its own defense of an Indemnified Claim for which it is entitled to indemnification under this Contract, DB Contractor shall reimburse on a current basis all reasonable Costs and expenses the Indemnified Party incurs in investigating and defending. If the Indemnified Party is entitled to and elects to conduct its own defense, then:

(a) In the case of a defense that otherwise would be conducted under Section 27.2.4(a), the Indemnified Party may settle or compromise the Indemnified Claim with DB Contractor's prior written consent, which shall not be unreasonably withheld or delayed;

(b) In the case of a defense that otherwise would be conducted under Section 27.2.4(b), the Indemnified Party may settle or compromise the Indemnified Claim with DB Contractor's prior written consent, which shall not be unreasonably withheld or delayed, or with approval of the court or arbitrator following reasonable notice to DB Contractor and opportunity to be heard and without prejudice to the Indemnified Party's rights to be indemnified by DB Contractor; and

(c) In the case of a defense conducted under Section 27.2.4(c), the Indemnified Party shall have the right to settle or compromise the Indemnified Claim without DB Contractor's prior written consent and without prejudice to its rights to be indemnified by DB Contractor.

27.2.9. A refusal of, or failure to accept, a tender of defense, as well as any Dispute over whether an Indemnified Party that has assumed control of defense is entitled to do so under Section 27.2.6 shall be resolved in accordance with Section 28, but the foregoing shall not preclude an Indemnified Party from preserving its rights or defending the claim pending such resolution.

27.2.10. The Parties acknowledge that while this Section 27 contemplates that DB Contractor will have responsibility for certain Indemnified Claims, circumstances may arise where the Parties may share liability with respect to such Indemnified Claims and liabilities. In such cases, where either Party believes that an Indemnified Claim or liability may entail shared responsibility, and that principles of comparative negligence and indemnity are applicable,

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the Party shall confer with the other Party on management of the Indemnified Claim or liability in question. If the Parties cannot agree on an approach to representation in the matter in question, each Party shall arrange to represent itself and to bear its own costs in connection therewith pending the outcome of the matter. Within 30 days after the final, non-appealable resolution of the matter in question (whether by settlement, arbitration or by judicial proceedings), the Parties shall adjust the costs of defense, including reimbursement of reasonable attorneys' fees, and other litigation and defense costs, in accordance with the indemnification arrangements of this Section 27.2, and consistent with the outcome of such proceedings concerning the respective liabilities of the Parties on the Indemnified Claim.

27.2.11. In determining responsibilities and obligations for defending Indemnified Claims under to this Section 27.2, specific consideration shall be given to the following factors:

(a) The party performing the activity in question;

(b) The location of the activity and incident;

(c) Contractual arrangements then governing the performance of the activity; and

(d) Allegations of respective fault contained in the Indemnified Claim.

27.3. Responsibility of RCTC for Certain Hazardous Materials

The Parties acknowledge and agree that:

27.3.1. RCTC may assert that certain third persons or parties may rightfully bear the ultimate legal responsibility for any and all Hazardous Materials that may currently be present on the Site; and

27.3.2. Certain State and federal statutes provide that individuals and firms may be held liable for damages and claims related to Hazardous Materials under such doctrines as joint and several liability and/or strict liability. It is not the intention of the Parties that DB Contractor be exposed to any such liability to the extent arising out of (a) proper Hazardous Materials Management activities in connection with pre-existing Site contamination, whether known or unknown, and/or (b) the activities of any Persons other than DB-Related Entities.

27.4. No Effect on Other Rights

The obligations in Sections 27.1 through 27.3 shall not be construed to negate, abridge or reduce other rights or obligations which would otherwise exist in favor of an Indemnified Party under this Contract.

27.5. CERCLA Agreement

The indemnities in Section 27.1.1(g) are intended to operate as agreements in accordance with section 9607(e) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. § 9607(e), and Health and Safety Code section 25364, to defend, indemnify and hold harmless the Indemnified Parties.

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27.6. Notification of Third-Party Claim

RCTC and DB Contractor shall each provide timely notification to the other party of the receipt of any third party claim relating to this Contract.

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SECTION 28
PARTNERING AND DISPUTE RESOLUTION

28.1. Partnering; Informal Process and Mediation for Resolution of Claims

The Parties acknowledge that Public Contract Code section 9204 applies to Claims (as defined thereunder) made by DB Contractor or its Subcontractors under this Contract, and that this Section 28, and as pertains to "claims" under Public Contract Code section 9204, complies in substance and procedure with Public Contract Code section 9204. To the extent that any provision in this Section 28 conflicts with Public Contract Code section 9204, solely with respect to "claims" thereunder, the procedures in Public Contract Code section 9204 shall control.

28.1.1. Partnering

(a) RCTC encourages partnering among DB Contractor, its Subcontractors, TSP, RCTC, PCM, Department, FHWA and other stakeholders. Partnering is intended to identify potential problem areas early in the progress of the Project. The parties shall commence partnering sessions to address and establish a process for resolving potential problems in order to prevent them from becoming Claims or Disputes. Early in the progress of the Project, specific interface issues, definition of the scope of Work, division of responsibilities, communication channels, and application of alternative resolution principles shall guide partnering sessions so as to prevent problems from becoming Claims or Disputes. The issues addressed in subsequent partnering sessions will be determined by the parties to the partnering sessions as needed.

(b) The facilitator for the partnering sessions will be the individual identified in the Contract Particulars (Phase 1), or another facilitator acceptable to DB Contractor, TSP and RCTC. RCTC will issue a Change Order for any required partnering sessions and DB Contractor will invoice their portion of the partnering sessions against the Change Order. The cost of the partnering facilitator shall be shared equally among DB Contractor, TSP and RCTC. Partnering sessions shall be conducted at the offices of RCTC, PCM or at such location as otherwise agreed upon. An initial partnering session will be conducted with DB Contractor, TSP, RCTC, PCM, Department and FHWA as soon as possible after the Effective Date, but no later than the first 90 days. Follow up partnering sessions shall be held quarterly throughout the Term. Persons who must attend partnering sessions include key personnel and senior management officials of the Parties and Department.

28.1.2. Informal Process and Mediation for Resolution of Claims

(a) Notices requesting dispute resolution, whether from DB Contractor or RCTC, shall: (i) identify the issues in dispute; (ii) state the position of the requester; (iii) state the dollar amount and/or duration of Critical Path and Completion Deadline impact; and (iv) state the Contract Document provisions pursuant to which the claim is made. The Notice shall include all documentation required to support the Claim with respect to merit, including details of the claim, cause, effect and entitlement and, for claims seeking an extension of a Contract Deadline, a time-impact analysis. RCTC may request additional information from the DB Contractor pertaining to the Claim.

(b) RCTC will provide a written statement identifying what portion of any Claim is disputed and what portion is undisputed, if any, within 30 days (or, if any determination requires approval from RCTC's governing body, three days after the next duly publicly noticed meeting of such governing body after such 45-day period). If RCTC fails to respond to a Claim within the time periods described herein, the Claim is deemed rejected in its entirety ("deemed response").

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(c) If DB Contractor disputes RCTC's written response (or deemed response) to a Notice of Claim, DB Contractor shall provide Notice to RCTC in writing, within ten Business Days of receipt of RCTC's written or deemed response, that DB Contractor wishes to proceed with an informal meet and confer with RCTC regarding the Claim. In the request for an informal meet and confer, DB Contractor shall identify, in writing, that portion of the Claim which is still in dispute. Upon receipt of such notification, RCTC shall schedule a meet and confer conference within ten Business Days.

(d) Within ten Business Days following the conclusion of the meet and confer conference, if the Claim, or any portion of the Claim remains unresolved, RCTC shall provide DB Contractor with a written statement identifying the portion of the Claim that remains unresolved and the portion that is resolved. If RCTC fails to respond to a Claim within the time periods described herein, the Claim is deemed rejected in its entirety.

(e) Any unresolved portion of the Claim may be submitted to nonbinding mediation by either party in writing to the other party within 10 Business Days of RCTC's response or deemed response under Section 30.1.2(d). Failure of either party to request mediation under this Section 28.1.2(e) If mediation is elected, the parties shall mutually agree to a mediator. The parties shall share mediation costs equally. If mediation is unsuccessful, the parts of the Claim remaining unresolved shall be subject to further dispute resolution as specified in Section 30.2, below.

(f) Failure by RCTC to respond to a Claim from DB Contractor within the time periods described in this Section 28.1.2 (including failure to schedule a meet and confer within the timeframe in Section 28.1.2(c)) or to otherwise meet the time requirements of Public Contract Code section 9204 shall result in the Claim being deemed rejected in its entirety.

28.2. Commencement of Dispute Resolution Process

All Disputes between DB Contractor and RCTC that arise under this Contract shall be resolved in accordance with this Section 28, except for those matters identified in Section 28.2.1. All Disputes shall be decided strictly in accordance with the terms and conditions of this Contract and general principles of contract law of the State. Before DB Contractor may submit any Dispute to dispute resolution under Sections 28.5, or 28.6, it must first obtain a final RCTC Decision in accordance with this Section 28.2.

28.2.1. Matters not Eligible for Dispute Resolution

The dispute resolution procedures in this Section 28 shall not apply to the following:

(a) Any matters this Contract expressly states are final, binding, or not subject to dispute resolution or are subject to the sole discretion of RCTC;

(b) Disputes regarding compliance with Governmental Rules, the rights of RCTC to terminate this Contract, liability or indemnification;

(c) Any claim for injunctive relief;

(d) Any claim against an insurance company, including any Subcontractor Dispute that is covered by insurance;

(e) Disputes regarding matters under the jurisdiction of Cal-OSHA;

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(f) Issues related to Subcontractor substitutions governed by Public Contract Code section 4100 et seq;

(g) Any claim for, or Dispute based on, remedies expressly created by statute;

(h) Any Dispute that is actionable only against a Surety;

(i) Any claim arising out of or relating to the Work where a third party is a necessary or appropriate party (excluding any DB-Related Entity, TSP, the ELP DB Contractor, Pavement Contractor, RCTC, PCM, Department, FHWA); and

(j) Any claim or dispute that does not arise under the Contract.

The Parties acknowledge and agree that the items above are not "claims" within the meaning of Public Contract Code section 9204.

28.2.2. Request for Dispute Resolution

(a) DB Contractor may file with RCTC a Notice requesting dispute resolution if the Parties did not resolve the Claim during the informal process set forth in Section 28.1.2. Such Notice shall be filed within ten Business Days of either Party declaring the mediation that occurred in accordance with Section 28.1.2 unsuccessful. Without limiting the foregoing restriction, in no event shall any such Notice be filed later than ten Business Days after Project Completion (except to the extent that the decision, action, order, or position relates to warranties or other post-Final Acceptance obligations of DB Contractor).

(b) Notices requesting dispute resolution, whether from DB Contractor or RCTC, shall: (i) identify the issues in dispute; (ii) state the position of the requester; and (iii) state the dollar amount and/or duration of Critical Path and Completion Deadline impact or interference involved in the Dispute.

28.2.3. Executive Level Negotiation

(a) RCTC's Executive Director and DB Contractor's Chief Executive Officer (or other officer of either Party with authority to make final decisions subject only to board approval and any required third party approvals) shall meet within ten Business Days following the submission of a Notice under Section 28.2.2 in an effort to resolve the Dispute. There shall be at least one meeting between RCTC's Executive Director and DB Contractor's Chief Executive Officer (or such other officer described above).

(b) If RCTC's Executive Director or DB Contractor's Chief Executive Officer (or such other officer described above) is not in the United States during the time period he or she needs to participate in any dispute resolution procedure, the person authorized to perform any or all of such officer's duties during his or her absence may participate in said dispute resolution procedure instead.

(c) RCTC will issue a final RCTC Decision to DB Contractor within ten Business Days after the meeting between RCTC's Executive Director and DB Contractor's Chief Executive Officer (or such other officer described in Section 28.2.3(a)); except that if no RCTC Decision is issued, RCTC shall be deemed to have denied DB Contractor's Dispute and a final RCTC Decision to that effect shall be deemed received by DB Contractor at the end of such ten Business Day period.

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28.2.4. Effect of Final RCTC Decision

The final RCTC Decision shall be final and conclusive and subject to further dispute resolution under Section 28.4 or 28.6, as applicable, based on the value of the Dispute, and in any event only after providing a Notice within ten Business Days after receipt of the final RCTC Decision, stating in general terms the factual and legal objections to the determination. DB Contractor's failure to object in writing within the above-specified time limit shall constitute acceptance of the final RCTC Decision. Thereafter, either Party, at its option, submit the Dispute through the dispute resolution procedure set forth in Section 28.3 within 30 days of the RCTC Decision. If the appealing Party does not elect to submit the Dispute to Section 28.3 within 30 days of the RCTC Decision, then the Parties may submit the Dispute to further dispute resolution under Section 28.5 or 28.6.

28.3. Disputes Review Board

If either Party elects to send a Dispute to the Disputes Review Board, the Parties shall comply with this Section 28.3, which describes the purpose, procedure, functions, and key features of the Disputes Review Board.

28.3.1. Membership

The Disputes Review Board shall consist of one member selected by RCTC, one member selected by DB Contractor, and a third member selected by the two members selected by RCTC and DB Contractor. Normally, the third member will act as chairman for all Disputes Review Board activities. All members of the Disputes Review Board shall be both experienced with the type of design and construction involved in the Project and experienced in the interpretation of contract documents. The third member shall be a lawyer, licensed in the State and experienced with design and construction disputes.

(a) The criteria and limitations for Disputes Review Board membership shall be as follows:

(i) No member of the Disputes Review Board shall have an ownership interest in any DB-Related Entity, Affiliate, or PCM, or any financial interest in this Contract or the Project, except for payment for serving on the Disputes Review Board;

(ii) Except for fee-based consulting services on other projects, no member of the Disputes Review Board or member's employer has been employed by RCTC, Department, any DB-Related Entity, Affiliate or PCM within a period of two years prior to the Effective Date;

(iii) No member of the Disputes Review Board shall have had substantial prior involvement in the Project or with RCTC, Department, any DB-Related Entity, any Affiliate or PCM within a period of two years prior to the Effective Date;

(iv) No member of the Disputes Review Board shall be employed by RCTC, Department, any DB-Related Entity, any Affiliate or PCM during the term of the Contract and for as long thereafter as any Dispute submitted to the Disputes Review Board remains outstanding under this Contract, except as a member of other disputes boards; and

(v) During the term of the Contract and for as long thereafter as any obligations remain outstanding under this Contract, no discussion or agreement shall be made

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between any member of the Disputes Review Board and RCTC, Department, any DB-Related Entity, any Affiliate or PCM regarding employment of a member of the Disputes Review Board.

(b) Within 30 days after either Party indicates in writing that it has elected to submit a Dispute to the Disputes Review Board, each Party shall select its member of the Disputes Review Board and enter into a three-party agreement between the member, RCTC and DB Contractor with such member in accordance with which such person shall serve on the Disputes Review Board. The first two members shall immediately commence selection of a third member who shall meet all the criteria listed above. The third member shall be selected within 30 days after both of the first two members have been selected and sign a three-party agreement. All parties shall enter into an agreement in the form attached as Exhibit 10 (Disputes Review Board Agreement).

(c) Before their appointments are made, the first two prospective members shall submit complete disclosure statements for approval by both RCTC and DB Contractor. Each statement shall include a resume of experience, a disclosure of any circumstances likely to prevent prompt hearings and decisions or to create any appearance of bias and a declaration describing all past, present, anticipated, or planned future relationships to the Project and with all parties involved in this Contract. The third member of the Disputes Review Board shall submit complete disclosure statements for approval by both RCTC and DB Contractor before his/her appointment is finalized.

(d) Disputes about an appointment to the Disputes Review Board (including Disputes resulting from an objection by either Party to any member on the grounds that the qualifications in this Contract are not met and disputes resulting from the inability of the two selected members to agree on a third member) shall be subject to judicial reference in accordance with Section 28.5.

(e) Prior to hearing any Dispute under this Contract, and upon request by either Party thereafter, each member of the Disputes Review Board shall supply RCTC and DB Contractor a declaration under penalty of perjury affirming that such member meets the above qualifications and agrees to be bound by the terms of this Contract. If at any time a member of the Disputes Review Board fails to meet such qualifications, such member shall be removed and replaced in accordance with the procedures for appointment of members set forth above.

(f) Either Party may require that a new Disputes Review Board be appointed to resolve future Disputes, which right shall be exercised by delivery of Notice to such effect to the other Party. The procedures and requirements for appointment shall be identical with those in this Section 28.3.1, except that the members selected by the Parties shall be selected within 30 days after the date of delivery of the Notice requesting a new Disputes Review Board. In such event, a new agreement, in the same form as Exhibit 10 (Disputes Review Board Agreement), shall be executed establishing a new Disputes Review Board. All Disputes submitted to the Disputes Review Board after delivery of Notice requiring appointment of a new Disputes Review Board shall be heard and decided by the new Disputes Review Board. All Disputes submitted prior to such date shall be heard by the old Disputes Review Board unless the Parties agree otherwise.

28.3.2. Operation

The Disputes Review Board shall adopt rules of procedure subject to approval by RCTC and DB Contractor. The Parties may agree in writing to any new or different procedures and the Disputes Review Board will follow such changes. The Disputes Review Board may schedule regular meetings and visits to the Site, subject to permission of the Parties. If a field

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inspection is undertaken, the Disputes Review Board shall be accompanied by representatives of both RCTC and DB Contractor. Seeking the Disputes Review Board member(s)' advice or consultation, ex parte, is expressly prohibited.

28.3.3. Procedure and Schedule for Dispute Resolution

(a) Disputes shall be considered as quickly as possible, taking into consideration the particular circumstances and the time required to prepare detailed documentation.

(b) DB Contractor and RCTC shall each be afforded an opportunity to be heard by the Disputes Review Board and to offer evidence. The Parties agree that discovery shall be permitted to the full extent provided by Code of Civil Procedure sections 1283.05(a) through (d). The Recommendation of the Disputes Review Board will be given in writing to both RCTC and DB Contractor within ten Business Days of completion of the hearings, if possible.

28.3.4. Hearing and Recommendation

Each hearing before the Disputes Review Board shall be conducted at facilities provided by RCTC. RCTC and DB Contractor may have representatives at all hearings. All deliberations of the Disputes Review Board shall be conducted in private, with all individual views kept strictly confidential, except as may be reflected in the Recommendation. The Recommendation shall be made in accordance with such procedures as are approved by the Parties. The Disputes Review Board shall make every effort to reach a unanimous Recommendation. If the Recommendation is not unanimous, then the dissenting member may prepare a minority recommendation.

28.3.5. Right to Litigate Disputes; Admissibility of Disputes Review Board Findings

(a) If the parties engaged the Disputes Review Board, the written findings and Recommendations of the Disputes Review Board, together with its reasons, including any minority reports or dissenting recommendations or opinions shall not be admissible in any subsequent arbitration, mediation, or litigation concerning the same Dispute or Claim. Any settlement negotiations between the Parties during the Disputes Review Board process, whether voluntary or at the direction of the Disputes Review Board, shall be considered confidential, and no evidence of anything said, nor any admission made in such settlement negotiations, nor any document prepared for the purpose of the settlement negotiations, shall be admissible in evidence, nor shall disclosure of such evidence be compelled at a later date, unless such evidence is otherwise admissible or subject to discovery, except that any settlement executed by the Parties shall not be considered confidential and may be disclosed.

(b) RCTC and DB Contractor shall not call any individual who served as a member of the Disputes Review Board as a witness in any litigation proceedings in connection with this Contract.

28.4. Disputes Review Board Recommendations

The Parties agree that all statutes of limitations shall be tolled from the date of submission of a Dispute to the Disputes Review Board until the date of receipt of the Recommendation.

28.4.1. Within 30 days after receiving the Recommendation, or such other time specified by the Disputes Review Board, both RCTC and DB Contractor shall

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respond to each other and to the Disputes Review Board by Notice, signifying either acceptance or rejection of the Recommendation. Failure of either Party to respond within the specified period shall be deemed a rejection of the Recommendation. The Parties agree that all statutes of limitations shall be tolled from the date of submission of a Dispute to the Disputes Review Board until the date of receipt of the Recommendation.

28.4.2. If the Dispute remains unresolved during the 120 days following issuance of the Recommendation, either Party may submit the Dispute to judicial reference under Section 28.5. If the Dispute is not submitted to judicial reference within such 120-day period, then the applicable Recommendation shall stand as final and binding, and the Parties shall be deemed to have conclusively agreed to accept that Recommendation.

28.5. Resolution of Disputes Exceeding $375,000 by Litigation

RCTC and DB Contractor may submit Disputes to litigation only when: (a) the amount in controversy exceeds $375,000; (b) the Parties undertook mediation and executive level negotiations with respect to the Claim/Dispute; and (d) the Dispute is submitted to judicial reference within timeframe in Section 28.4.2 or within 120-days following issuance of the final RCTC Decision in accordance with Section 30.2.4. All Disputes submitted to judicial reference shall be heard and determined by a referee in accordance with Code of Civil Procedure section 638, subsection 1. The venue of any proceeding under this Contract shall be in Riverside County, California, unless changed by the judicial officer. The right to trial by jury is not waived by either Party.

28.6. Resolution of Disputes Involving $375,000 or Less by Arbitration

28.6.1. RCTC and DB Contractor may submit to arbitration Disputes that arise prior to the expiration of the applicable Warranty Period only when (a) the Parties undertook mediation and executive level negotiations, and (b) the amount in controversy is equal to or less than $375,000.

28.6.2. Disputes submitted by DB Contractor to arbitration under this Section 28.6 must be based on a final RCTC Decision or Recommendation from the Dispute Review Board, and a demand for arbitration must be submitted within 30 days after the date the RCTC Decision becomes final or within the timeframe in Section 28.4.3. RCTC may submit a demand for arbitration under this Section 28.6 at any time.

28.6.3. As permitted by Public Contract Code section 20104(a)(2), each Dispute involving $375,000 or less shall be heard and determined by an arbitrator or arbitrators selected in accordance with Public Contract Code sections 10240 et seq. (the "**State Arbitration Act**"), and in accordance with the procedures in California Code of Regulations, title 1, sections 300 et seq. (the "**Regulations**").

28.6.4. RCTC and DB Contractor agree to mutually appoint one neutral as the arbitrator, which may not be a member of the Disputes Review Board.

28.6.5. Discovery shall be permitted to the full extent provided by Code of Civil Procedure sections 1283.05(a) through (d).

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28.7. Cooperation

The Parties shall diligently cooperate with one another and with the person(s) appointed to resolve Disputes and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of Disputes. If either Party refuses to diligently cooperate, and the other Party, after first giving Notice of its intent to rely on the provisions of this Section 28.7, incurs additional expenses or attorneys' fees solely as a result of such failure to diligently cooperate, then the individual(s) resolving the Dispute may award such additional expenses and attorneys' fees to the Party giving such Notice, even if such Party is not the prevailing Party in the Dispute.

28.8. Costs

The Parties shall share equally in all Costs for the Disputes Review Board and for resolution of Disputes in accordance with the dispute resolution procedures under this Contract, including any costs associated with a reference of a Dispute to a judicial referee in accordance with Section 28.5; except that the Party against whom an award of additional attorneys' fees or expenses is made in accordance with Section 28.7 shall make such payments to the other Party and is not entitled to recover (or offset) the amount paid. The person(s) resolving the Dispute shall include such costs in his/her/their judgment or award. Except as otherwise provided in Section 28.7, each Party shall pay its own attorneys' fees and expert witness fees.

28.9. Provisional Remedies

No party shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy which may be necessary, and which is not otherwise available under this Section 28, to protect its rights, including temporary and preliminary injunctive relief, attachment, claim and delivery, receivership and any extraordinary writ.

28.10. Continuing Performance

During any dispute resolution proceedings, DB Contractor shall carry on its duties under this Contract, and RCTC shall continue to make undisputed payments in accordance with this Contract.

28.11. Participation in Proceedings; Joinder

DB Contractor agrees that: (a) at RCTC's request, DB Contractor shall take appropriate action to join TSP or any third parties, including Subcontractors, involved in the design or construction of any part of the Project as parties in dispute resolution proceedings under this Section 28; and (b) DB Contractor will allow itself to be joined as a participant in any Dispute, arbitration or other proceeding that involves RCTC and any other Person relating to the Project, including those relating to TSP, and agrees to be bound by the procedures and decisions rendered in such proceeding. This provision is for the benefit of RCTC and not for the benefit of any other party.

28.12. Effect on Surety and Guarantor

Decisions made in accordance with this Section 28 that are binding on DB Contractor shall also be binding on the Surety under the Performance Bond and any Guarantor; except that, unless the Surety or Guarantor, as applicable, is a party to such proceedings, such decisions shall not affect any defenses that are special to the Surety or Guarantor, as applicable (i.e. defenses available to the Surety or Guarantor, as applicable, which could not have been asserted by DB Contractor in the underlying proceeding). In the event that the Surety or Guarantor, as applicable,

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is a party to any proceedings, it may, and must, assert any such special defenses therein or else such defenses are deemed waived.

28.13. Time Limitation

DB Contractor acknowledges and agrees that RCTC is subject to substantial constraints that have resulted in limitations on its ability to increase the Contract Price or extend a Completion Deadline. DB Contractor acknowledges and agrees that, due to limitations on funding for the Project, prompt resolution of Disputes is of vital importance to RCTC. DB Contractor agrees that the time limitations stated in the Contract for the filing of Claims and/or complaints with the Disputes Review Board are necessary and reasonable. DB Contractor expressly waives any longer statute of limitations contained in any statute, including Government Code section 900 et seq. that would otherwise be applicable.

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SECTION 29
DOCUMENTS AND RECORDS

29.1. Financial Reporting Requirements

29.1.1. DB Contractor shall provide, or cause to be provided, to RCTC such information, statements, financial and narrative reports, budgets and information required under this Contract and as RCTC may otherwise reasonably request from time to time for any purpose related to the Project or this Contract.

29.1.2. DB Contractor shall deliver to RCTC, at the times specified below, the following financial statements, stated in United States Dollars and prepared in accordance with U.S. GAAP as set forth in Section 29.1.2(b) for DB Contractor and each Guarantor:

(a) Within 60 days after the end of each fiscal year, duplicate copies of the balance sheet and a consolidated statement of earnings of DB Contractor and each Guarantor and its consolidated subsidiaries for such fiscal year, setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail and certified as complete and correct, subject to changes resulting from year-end adjustments, by the chief financial officer of DB Contractor and each Guarantor, respectively;

(b) Within 120 days after the end of each fiscal year, (i) any financial ratings obtained, and (ii) duplicate copies of the financial statements (which shall include a balance sheet and a consolidated statement of financial condition of DB Contractor and each Guarantor and their respective consolidated subsidiaries at the end of such year, and statements of earnings, changes in financial position of DB Contractor and each Guarantor and their respective consolidated subsidiaries for such year, and all related notes to the financial statements, setting forth in each case in comparative form the figures for the previous fiscal year), all in reasonable detail and accompanied by an opinion thereon of an independent public accountant of recognized national standing selected by DB Contractor and each Guarantor, as applicable, which opinion shall state that such financial statements have been prepared in accordance with U.S. GAAP consistently applied, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances. If financial statements are prepared in accordance with principles other than U.S. GAAP, a letter from the certified public accountant of the applicable entity, discussing the areas of the financial statements that would be affected by a conversion to U.S. GAAP is required and an estimate of changes required to recalculate in accordance with U.S. GAAP. Provision of financial statements and information for a parent company or other affiliate will not be sufficient to satisfy the requirement to provide financial statements; and

(c) Upon request of RCTC for particular fiscal quarters, and without request where documents are provided under Section 29.6.2(b), copies of all other financial statements and information reported by DB Contractor and each Guarantor to its shareholders generally and of all reports filed by DB Contractor and each Guarantor with the United States Securities Exchange Commission under sections 13, 14 or 15(d) of the Securities Exchange Act, to be provided to RCTC as soon as practicable after providing such information to the shareholders of DB Contractor and each Guarantor, as applicable, or filing such reports with the Securities and Exchange Commission, as the case may be.

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29.1.3. DB Contractor shall cooperate and provide and shall cause each Guarantor and the Subcontractors to cooperate and provide, such information as determined necessary or desirable by RCTC in connection with any Project funding or financing. Without limiting the generality of the foregoing, DB Contractor shall provide such information deemed necessary or desirable by RCTC for inclusion in RCTC's securities disclosure documents and in order to comply with Securities and Exchange Commission Rule 15c2-12 regarding certain periodic information and notice of material events as well as summary financial information detailing DB Contractor's financial capacity to perform the Work. DB Contractor shall provide customary representations and warranties to RCTC and the capital markets as to the correctness, completeness and accuracy of any information provided.

29.1.4. All reports and information delivered by DB Contractor under Section 29.1.3 shall also be delivered electronically, to the extent electronic files exist, and be suitable for website posting.

29.2. Maintenance of, Access to and Audit of Records

29.2.1. DB Contractor shall maintain at its Project administration office in Riverside County, California a complete set of all Books and Records, including copies of all original documents delivered to RCTC and Department. DB Contractor shall provide Notice to RCTC where such records and documents are kept.

29.2.2. DB Contractor shall keep and maintain all the documents required under Section 29.2.1 in accordance with applicable provisions of this Contract and of the Administrative Project Plans, and otherwise in accordance with Good Industry Practice until five years after the Final Acceptance Date or the termination of this Contract (as applicable).

29.2.3. Notwithstanding Section 29.2.2, all Books and Records which relate to Claims being processed or Disputes brought under the dispute resolution procedures of this Contract shall be retained and made available until such Disputes and Claims have been finally resolved.

29.2.4. RCTC may:

(a) Review and audit DB Contractor, its Subcontractors and their respective Books and Records as and when RCTC deems necessary from time to time:

(i) For the purposes of verifying compliance with this Contract, the Governmental Approvals and applicable Governmental Rules; and

(ii) In connection with the issuance of Change Orders and Contract amendments, the resolution of Disputes and Claims.

(b) Audit DB Contractor's Administrative Project Plans and compliance therewith, including the right to inspect Work and/or activities and to verify the accuracy and adequacy of the Administrative Project Plans and its component parts, plans and other documentation.

29.2.5. DB Contractor agrees to grant to RCTC and its representatives and legal counsel, Department, and FHWA the audit and inspection rights under Section

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29.2.4 without charge and allow such Persons such access to such Books and Records and the Work. RCTC may conduct any such audit of Books and Records or inspection of the Work upon 48 hours' prior Notice, or unannounced and without prior notice where there is good faith suspicion of fraud or other criminal activity. The right of audit and inspection includes the right to make copies and extracts and take notes.

29.2.6. Where the payment method for any Work is on a time and materials or Cost of the Work basis, such examination and audit rights shall include all Books and Records and other evidence and accounting principles and practices sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of such Work. If an audit indicates DB Contractor has been over credited under a previous progress report or progress payment, that over credit will, at RCTC's sole option, be credited against current progress reports or payments or reimbursed to RCTC by DB Contractor upon demand therefor.

29.2.7. For cost and pricing data submitted in connection with pricing Change Orders or Contract amendments, unless such pricing is based on adequate price competition (as determined by RCTC), established catalog or market prices of commercial items sold in substantial quantities to the public, or prices set by Governmental Rule, such Persons and their representatives have the right to examine all Books and Records related to the negotiation of or performance of Work under such Change Orders and Contract amendments for the purpose of evaluating the accuracy, completeness and currency of the cost or pricing data submitted. The right of examination shall extend to all documents deemed necessary by such Persons to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

29.2.8. All Claims or Disputes filed against RCTC shall be subject to audit at any time following the filing of the Claim or Dispute. The audit may be performed by employees of RCTC or by an auditor under contract with RCTC. No notice is required before commencing any audit before 60 days after the Final Acceptance Date. Thereafter, RCTC shall provide 14 days of notice to DB Contractor, any Subcontractors or their respective agents before commencing an audit of any Claim or Dispute. DB Contractor, Subcontractors or their agents shall provide adequate facilities, acceptable to RCTC, for the audit during normal business hours. DB Contractor, Subcontractors or their agents shall cooperate with the auditors. Failure of DB Contractor, Subcontractors or their agents to maintain and retain sufficient Books and Records to allow the auditors to verify all or a portion of the Claim or Dispute or to permit the auditor access to the Books and Records of DB Contractor, Subcontractors or their agents shall constitute a waiver of the Claim or Dispute and shall bar any recovery thereunder.

29.2.9. Full compliance by DB Contractor with the provisions of this Section 29.2 is a contractual condition precedent to DB Contractor's right to seek relief under Section 28.

29.2.10. DB Contractor represents and warrants the completeness and accuracy of all information (including Books and Records) it or its agents provide in connection with the audits identified in this Contract, and shall cause all Subcontractors to warrant the completeness and accuracy of all information (including Books and

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Records such Subcontractors or their agents provide in connection with this Section 29.2.

29.2.11. DB Contractor's internal and third-party quality and compliance auditing responsibilities shall be set forth in the Administrative Project Plans, consistent with the audit requirements in TP Sections 2.1, 5.2.3, 5.3.2, 5.4.2, and 5.4.3.

29.2.12. DB Contractor shall collect and preserve each of the following types of data in written form contemporaneously during DB Contractor's performance of the Work, which shall be in form approved by RCTC and in conformance with the requirements of the Department Cooperative Agreement, and index filed in accordance with Section 5-102 "Organization of Project Documents" of the Department Construction Manual:

(a) Monthly report of labor by classification of management, supervision, engineering and other technical personnel used on the job;

(b) Daily labor and equipment report from DB Contractor and each Subcontractor for construction related activities;

(c) Quality Control documentation as required by TP Section 5;

(d) A daily occurrence log (in the form of a bound book with entries in ink) for construction related activities which shall be maintained by the DB Contractor Representative or his designee(s), in which shall be recorded daily in a narrative form all significant occurrences on the Project, including permit problems, unusual weather, asserted Force Majeure Events, events and conditions causing or threatening to cause delay or disruption or interference with the progress of any of the Work, known injuries to person or property, a listing of each activity depicted on the Project Schedule which is being actively prosecuted; notifications given and received, and significant Project related meetings; and

(e) A daily record in the format required by Section 9-1.04D(6) of Exhibit 5 (Modified Standard Specification), recording all labor, materials and equipment expenses which are being incurred by reason of any event, condition or circumstance which DB Contractor believes is or may become the subject of a Claim against RCTC. Any initialed or signed concurrence by PCM (or designees) will be for purposes of verifying physical labor, material and equipment count rather than validating DB Contractor's Claims.

29.2.13. To the extent requested by RCTC, DB Contractor shall provide RCTC with access to and a copy of each item described in Section 29.2.12, provided, however, that the provision of such information shall not constitute a Notice under Section 29.2.1.

29.2.14. In accordance with Government Code section 8546.7, this Contract, and DB Contractor and RCTC as the contracting parties, are subject to the examination and audit of the California State Auditor, at the request of RCTC or as part of any audit of RCTC, for a period of three years after the final payment under the Contract.

29.3. Public Records Act

29.3.1. DB Contractor acknowledges and agrees that all records, documents, drawings, plans, specifications and other materials in RCTC's possession,

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including materials submitted by DB Contractor, are subject to the provisions of the California Public Records Act (Government Code section 6250 et seq.) (the "**Public Records Act**").

29.3.2. If DB Contractor believes information or materials submitted to RCTC constitute trade secrets, proprietary information or other information that is not subject to or excepted from disclosure under the Public Records Act, DB Contractor shall be solely responsible for specifically and conspicuously designating that information by placing "CONFIDENTIAL," in the center header of each such page affected, as it determines to be appropriate. Any specific proprietary information, trade secrets or confidential commercial and financial information shall be clearly identified as such and shall be accompanied by a concise statement of reasons supporting the claim. Nothing contained in this Section 29.3 shall modify or amend requirements and obligations imposed on RCTC by the Public Records Act or other applicable Governmental Rule, and the provisions of the Public Records Act or other Governmental Rules shall control in the event of a conflict between the procedures described above and the applicable Governmental Rules. DB Contractor is advised to contact legal counsel concerning such Governmental Rules and its application to DB Contractor.

29.3.3. If RCTC receives a request for public disclosure of materials marked "CONFIDENTIAL," RCTC will use reasonable efforts to provide Notice to DB Contractor of the request and give DB Contractor an opportunity to assert, by Notice, a claimed exception under the Public Records Act or other applicable Governmental Rules within the time period specified in the notice issued by RCTC and allowed under the Public Records Act. Under no circumstances, however, will RCTC be responsible or liable to DB Contractor or any other Person for the disclosure of any such labeled materials, whether the disclosure is required by Governmental Rules, or court order, or occurs through inadvertence, mistake or negligence on the part of RCTC or its officers, employees, contractors or consultants.

29.3.4. In the event of any proceeding or litigation concerning the disclosure of any material submitted by DB Contractor to RCTC, RCTC's sole involvement will be as a stakeholder retaining the material until otherwise ordered by a court or such other authority having jurisdiction with respect to the material, and DB Contractor shall be fully responsible for otherwise prosecuting or defending any action concerning the materials; provided, however, that RCTC reserves the right, in its sole discretion, to intervene or participate in the litigation in such manner as it deems necessary or desirable. Except in the case of RCTC's voluntary intervention or participation in litigation, DB Contractor shall pay and reimburse RCTC within 30 days after receipt of written demand and reasonable supporting documentation for all costs and fees, including attorneys' fees and costs RCTC incurs in connection with any litigation, proceeding or request for disclosure.

29.4. Ownership of Documents

Subject to Sections 29.3 and 29.5, all data, sketches, charts, calculations, plans, specifications, electronic files, correspondence, reports, analyses, studies and other documents and materials created or collected under the terms of this Contract shall be considered "works made for hire" for which RCTC owns the copyright. Design Documents shall become RCTC's property upon

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preparation; Construction Documents shall become RCTC's property upon delivery to RCTC; and other documents prepared or obtained by DB Contractor in connection with the performance of its obligations under this Contract, including studies, manuals, As-Built Documents, technical and other reports and the like, shall become the property of RCTC upon DB Contractor's preparation or receipt thereof. Copies of all Design Documents and Construction Documents shall be provided to RCTC upon preparation or receipt thereof by DB Contractor. DB Contractor shall maintain all other documents described in this Section 29.4 in accordance with the requirements of Section 29.2 and shall deliver copies to RCTC as required by this Contract or upon request if not otherwise required to be delivered, with an indexed set delivered to RCTC as a condition to Final Acceptance.

29.5. Intellectual Property, Ownership and Licenses

29.5.1. Project IP

(a) DB Contractor acknowledges and agrees that all Project IP, in any medium, is specially ordered or commissioned by RCTC, including works-made-for-hire in accordance with 17 U.S.C. § 101 (the U.S. Copyright Act of 1976). If any Project IP is not the proper subject matter or is determined not to be a work-made-for-hire in accordance with the U.S. Copyright Act, DB Contractor hereby assigns and shall cause all DB-Related Entities to assign to RCTC all rights, title and interest in and to the Project IP including any Submittal or other material or document. DB Contractor agrees to execute and shall cause all DB-Related Entities to execute such further documents and to do such further acts as may be necessary to perfect, register, or enforce RCTC's ownership of such rights, in whole or in part.

(b) All Submittals or other materials or documents authored, created or developed under or for the purpose of the Contract or the Project shall be owned by RCTC immediately upon creation or generation, physically or digitally, and whether or not such Submittal or other material or document have been delivered to RCTC under the terms of the Contract.

(c) DB Contractor shall deliver to RCTC an indexed set of all Submittals or other materials or documents authored, created or developed under or for the purpose of the Contract (i) at time(s)/dates(s) in accordance with the Contract, or (ii) as soon as reasonably practicable after such creation or generation, but in no event later than 10 days after the effective date of any termination or expiration of this Contact.

29.5.2. DB Contractor IP

(a) DB Contractor hereby grants and shall cause each DB-Related Entity to grant, to RCTC an irrevocable, perpetual, non-exclusive, transferable, fully paid-up right and license to use, execute, perform, sublicense, exploit, manufacture, distribute, reproduce, adapt, display, transfer, and prepare derivative works ("**Base License Rights**") of DB Contractor IP, including Software, in connection with the Project. DB Contractor acknowledges and agrees that all rights, title or license(s) granted under this Section 29.5.2 will survive any expiration or earlier termination of this Contract without regard to convenience, default or other causation.

(b) DB Contractor shall identify and disclose to RCTC all DB Contractor IP required by, incorporated in, or combined with the Project.

29.5.3. Third Party IP

DB Contractor shall secure license(s) in the name of RCTC for the Base License Rights of Third Party IP, in connection with the Project, including a representation and warranty

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that Third Party IP does not infringe the rights, including Intellectual Property rights, of any Person. To the extent that the foregoing license rights, or representation and warranty are refused by any owner of Third Party IP, DB Contractor shall secure RCTC's prior written approval, in its sole discretion, for any license, the terms of which are acceptable to such owner of Third Party IP. For the avoidance of doubt, in no event shall DB Contractor incorporate Third Party IP into the Project without first securing such licenses.

29.5.4. RCTC IP and RCTC Data

(a) RCTC hereby grants to the DB-Related Entities a limited, non-exclusive license to use, exploit, manufacture, distribute, reproduce, adapt and display the Project IP, RCTC IP, and RCTC Data, and any material or document incorporating such Intellectual Property, solely in connection with and limited to the Allowed Uses. **"Allowed Uses"** are (a) incorporation into the Project; and (b) performance, provision, furnishing and discharge of the Work under the Contract. All rights not specifically granted in this Section 29.5.4 are reserved to RCTC. For the avoidance of doubt, no rights to trademarks of RCTC, whether registered or not, (the **"RCTC Marks"**) are granted to the DB Contractor and the DB Contractor may not incorporate, refer to, or otherwise use RCTC Marks for any marketing, promotional or advertising purposes.

(b) In addition to the DB Contractor's obligations and restrictions related to RCTC Data, documents and information in this Contract, the DB Contractor acknowledges and agrees that all RCTC Data, including the results or creation of any anonymization, de-identification, aggregation or other analysis of such RCTC Data, whether physical or digital, are owned by RCTC. Except as specifically provided in this Contract, no DB-Related Entity shall make use of RCTC Data even if such use is for such DB-Related Entity's internal use or analysis, whether or not commercial value is available or received, and/or such information or data is available in other, separate or cumulative sources.

(c) Notwithstanding any other term or condition of this Contract, the rights and permissions granted under this Section 29.5.4 shall terminate (i) upon the effective date of expiration or earlier termination of this Contract or (ii) upon 24-hour written notice by RCTC to the DB Contractor, whichever is earlier.

29.5.5. Payment Inclusive

DB Contractor acknowledges and agrees that the sum of all payments made in accordance with the Contract shall include all royalties, fees, costs and expenses arising from or related to DB Contractor Software, DB Contractor Software Customizations, any and all license(s) to Third Party IP, or any other licenses granted under this Section 29.5 (Intellectual Property, Ownership and Licenses).

29.5.6. DB-Related Entities

DB Contractor acknowledges and agrees that it shall direct, and be responsible for, the compliance of all DB-Related Entities with the obligations and restrictions of this Section 29.5 (Intellectual Property, Ownership and Licenses) and shall incorporate the provisions of this Section 29.5 into each agreement involving development, provision or acquisition of Intellectual Property or the creation or generation of any Submittal or other material or document, Work, the Project or this Contract.

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SECTION 30
MISCELLANEOUS PROVISIONS

30.1. Amendments

Except to the extent expressly provided otherwise in this Contract, this Contract may be amended only by a written instrument duly executed by the Parties or their respective successors or assigns.

30.2. Waiver

30.2.1. No waiver of any term, covenant or condition of this Contract shall be valid unless in writing and signed by the obligee Party.

30.2.2. The exercise by a Party of any right provided under this Contract shall not waive or preclude any other or further exercise thereof or the exercise of any other right. No waiver by any Party of any right under this Contract shall be deemed to be a waiver of any other or subsequent right under this Contract. The consent by one Party to any act by the other Party requiring such consent shall not create a course of conduct or be deemed to render unnecessary the obtaining of consent to any subsequent act for which consent is required, regardless of whether similar to the act for which consent is given.

30.2.3. Except as expressly provided otherwise in this Contract, no act, delay or omission done, suffered or permitted by one Party or its agents shall be deemed to create a course of conduct or waive, exhaust or impair any right, remedy or power of such Party under this Contract, or to relieve the other Party from the full performance of its obligations under this Contract.

30.2.4. Either Party's waiver of any breach or failure to enforce any of the terms, covenants, conditions or other provisions of this Contract at any time shall not in any way create a course of conduct or limit or waive that Party's right thereafter to enforce or compel strict compliance with every term, covenant, condition or other provision, any course of dealing or custom of the trade notwithstanding. Furthermore, if the Parties make and implement any interpretation of this Contract without documenting such interpretation by an instrument in writing signed by both Parties, such interpretation and implementation thereof will not be binding in the event of any future Disputes.

30.3. Independent Contractor

30.3.1. DB Contractor is an independent contractor, and nothing contained in this Contract shall be construed as constituting any relationship with RCTC other than that of Project developer and independent contractor.

30.3.2. Both Parties, in the performance of this Contract, shall act in an individual capacity and not as agents, employees, partners, joint venturers or associates of one another. Nothing in this Contract is intended or shall be construed to create any partnership, joint venture or similar relationship between RCTC and DB Contractor; and in no event shall either Party take a position in any tax return or other writing of any kind that a partnership, joint venture or similar relationship exists.

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30.3.3. In no event shall the relationship between RCTC and DB Contractor be construed as creating any relationship whatsoever between RCTC and DB Contractor's employees. Neither DB Contractor nor any of the employees of any DB-Related Entity is or shall be deemed to be an employee of RCTC. Except as otherwise specified in this Contract, DB Contractor has sole authority and responsibility to employ, discharge and otherwise control its employees and has complete and sole responsibility as a principal for its agents, for all Subcontractors and for all other Persons that DB Contractor or any Subcontractor hires to perform or assist in performing the Work.

30.4. Successors and Assigns

30.4.1. This Contract shall be binding upon and inure to the benefit of RCTC and DB Contractor and their permitted successors, assigns and legal representatives.

30.4.2. Upon providing ten Business Days' prior Notice to DB Contractor, RCTC may assign all or part of its right, title and interest in and to any part of this Contract and performance security, including rights with respect to the Payment Bonds and Performance Bonds, the Warranty Bond and the Guaranty, to any other Person.

30.4.3. DB Contractor shall not voluntarily or involuntarily sell, assign, convey, transfer, pledge, mortgage, or otherwise encumber DB Contractor's interest in and to this Contract or any portion thereof without RCTC's prior written approval, except to any entity in which the organizations signing this Contract for DB Contractor, or the shareholder(s), general partner(s) or member(s) that exercise management control over such organizations, hold and exercise effective management control and hold the same percent of equity interest in DB Contractor that exists as of the SOQ Step 2 Submittal Date. DB Contractor shall not sublease or grant any other special occupancy or use of the Project to any other Person, without RCTC's prior written approval. Any sale, assignment, conveyance, transfer, pledge, mortgage, encumbrance, sublease or grant of other special occupancy or use in violation of this provision shall be null and void ab initio and RCTC, at its option, may declare any such attempted action to be a material DB Contractor Default.

30.4.4. DB Contractor shall not voluntarily or involuntarily cause, permit or suffer any Change of Control prior to Final Acceptance without RCTC's prior written approval. If there occurs any voluntary or involuntary Change of Control without RCTC's prior written approval, RCTC, at its option, may declare it to be a material DB Contractor Default.

30.4.5. Where RCTC's prior approval is required for a proposed sale, assignment, conveyance, transfer, pledge, mortgage, encumbrance, sublease or grant of other special occupancy or use, or for any proposed Change of Control prior to Final Acceptance, RCTC may withhold or condition its approval in its sole discretion. Any such decision of RCTC to withhold consent shall be final, binding and not subject to the dispute resolution procedures in this Contract. If for any reason RCTC does not act within 30 days after receiving all required information, or any extension thereof by mutual agreement of the Parties, the proposed sale, assignment, conveyance, transfer, pledge, mortgage, encumbrance, sublease or grant of other special occupancy or use, or for any proposed Change of Control is not permitted.

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30.4.6. Assignments and transfers of DB Contractor's interest permitted under this Section 30.4 or otherwise approved by Notice from RCTC shall be effective only upon RCTC's receipt of Notice of the assignment or transfer and a written recordable instrument executed by the transferee (and any Guarantor and any Surety), in form and substance acceptable to RCTC, in which the transferee, without condition or reservation, assumes all of DB Contractor's obligations, duties and liabilities under this Contract then in effect and agrees to perform and observe all provisions thereof applicable to DB Contractor. Each transferee shall take DB Contractor's interest subject to, and shall be bound by, the Administrative Project Plans, the Major Subcontracts, the Utility Agreements, all RCTC-Provided Approvals, all agreements between the transferor and railroads, the Governmental Approvals, and all agreements between the transferor and Governmental Entities with jurisdiction over the Project, except to the extent otherwise approved by Notice from RCTC, in its sole discretion.

30.4.7. No assignment, conveyance, transfer, pledge, mortgage, encumbrance, sublease or grant by DB Contractor or any permitted successor and assign thereto shall release DB Contractor, any Guarantor, any Surety or the assignor from any liabilities or obligations under this Contract and each of such entities shall remain liable and obligated therefor.

30.4.8. DB Contractor shall not change the legal form of its organization without the prior written approval of RCTC, which RCTC may grant or withhold.

30.4.9. Any permitted assignment of DB Contractor's interest shall not take effect until replacement Bonds and Guarantees are provided without lapse in coverage. This requirement may be met if the Surety/ies and Guarantor(s) amend existing Bonds and Guarantees to name DB Contractor's assignee as the Principal (under the Bonds) and "DB Contractor" (under the Guarantees).

30.5. Gratuities and Conflicts of Interest

30.5.1. DB Contractor shall not permit any officer, official or employee of RCTC to have any financial interest in the Contract prohibited by sections 1090 et seq. and 87100 et seq. of the Government Code. In addition, DB Contractor or its employees shall not enter into any contract involving services or property with a Person or business prohibited from transacting such business with RCTC, in accordance with sections 1090 et seq. and 87100 et seq. of the Government Code. Except to the extent explicitly disclosed in DB Contractor's SOQ, DB Contractor affirms that no RCTC officer, official or employee has any interest (whether contractual, non-contractual, financial, or otherwise) in this transaction or in the business of DB Contractor. If any such interest becomes known to DB Contractor at any time, DB Contractor shall submit a full and complete disclosure of such information by Notice to RCTC, even if such interest would not be considered a conflict under sections 1090 et seq. and 87100 et seq. of the Government Code.

30.5.2. Neither DB Contractor nor any of its employees, agents and representatives shall offer or give to an officer, official or employee of RCTC or Department gifts, entertainment, payments, loans, or gratuities. RCTC may, by Notice to DB Contractor, terminate the right of DB Contractor to proceed under the Contract if it is found that gratuities (in the form of gifts, entertainment, or

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otherwise) were offered or given by DB Contractor, or any agent of DB Contractor, to any member of the Commission or any officer, agent and/or employee of RCTC or Department.

30.5.3. The rights and remedies of RCTC specified in this Section 30.5 are not exclusive and are in addition to any other rights and remedies allowed by law.

30.5.4. Employment (whether as an employee, consultant, or independent contractor) of personnel on RCTC's payroll by any DB-Related Entity is not permitted in the performance of the Contract, even though such employment may be outside RCTC's employee's regular working hours or on Saturdays, Sundays, holidays or vacation time; further, employment by any DB-Related Entity of personnel who have been on RCTC's payroll within one year prior to the date of Contract award is also prohibited, if such employment is caused by and/or dependent upon DB Contractor securing this or a related Contract with RCTC.

30.6. Survival

DB Contractor's representations and warranties, the dispute resolution provisions contained in Section 28, the warranties contained in Section 16, the indemnifications and releases contained in Section 27, and elsewhere in this Contract, the rights and obligations of the Parties following termination of this Contract under Section 23, Section 24, and Section 26, the provisions regarding invoicing and payment under Section 18, the obligations regarding Application for Final Payment under Section 18.12, and payment for subsequent Claims under Section 18.13, and all other provisions which by their express terms or their inherent character or express terms should survive termination of the Contract and/or Final Acceptance, shall survive the termination of the Contract and the Final Acceptance Date.

30.7. Limitation on Third Party Beneficiaries

Department is an intended third party beneficiary to this Contract and the Indemnified Parties are intended third party beneficiaries of the indemnity and insurance provisions of this Contract. Except as expressly provided in this Contract (such as warranty and indemnity provisions), it is not intended by any of the provisions of this Contract to create any other third party beneficiary under this Contract or to authorize anyone not a Party to maintain a suit for personal injury or property damage in accordance with the terms or provisions hereof. Except as otherwise provided in this Section 30.7, the duties, obligations and responsibilities of the Parties in accordance with this Contract with respect to third parties shall remain as imposed by law. This Contract does not create a contractual relationship of any kind between RCTC and a Subcontractor or any Person other than DB Contractor.

30.8. Tort Liability, Personal Liability of RCTC Employees

30.8.1. The RCTC Representatives are acting solely as agents and representatives of RCTC when carrying out the provisions of or exercising any right under this Contract. They shall not be liable either personally or as employees of RCTC for actions in their ordinary course of employment.

30.8.2. The Parties agree to provide to each other's Representative(s) Notice of any Claim that either Party receives from any third party relating in any way to the matters addressed in this Contract and shall otherwise provide Notice in such form and within such period as is required by Governmental Rules.

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30.8.3. No agent, consultant, officer, or authorized employee of RCTC nor any member of the Commission, shall be personally responsible for any liability arising under this Contract.

30.9. Governing Law; Venue

This Contract shall be governed by and construed in accordance with the law of the State, without regard to conflict of law principles. The venue of any court, judicial, or referee proceeding under this Contract shall be in Riverside County, California, unless changed by the judicial officer.

30.10. Notices and Communications

30.10.1. All notices, requests, demands, instructions, certificates, consents, explanations, agreements, approvals and other communications (each being a "**Notice**") required or permitted under this Contract shall be in writing and (a) delivered personally, (b) sent by certified mail, return receipt requested, (c) sent by a recognized overnight mail or courier service, with delivery receipt requested, or (d) sent by facsimile or email communication followed by a hard copy and with receipt confirmed by telephone, to the following addresses (or to such other address as may from time to time be specified in writing by such Person):

All correspondence with DB Contractor shall be sent to the DB Contractor Representative or as otherwise directed by the DB Contractor Representative to the address specified in the Contract Particulars

All communications to RCTC shall be marked as regarding the I-15 Express Lanes Project Southern Extension Project and shall be delivered as directed by RCTC's Toll Project Delivery Director to the address in the Contract Particulars. In addition, copies of all notices regarding Claims, Disputes, termination and default Notices shall be delivered to the following Persons:

Riverside County Transportation Commission
Attention: Aaron Hake, Executive Director
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Phone: (951) 787-7141
Facsimile: (951) 787-7920
Email address: ahake@rctc.org

30.10.2. Notices shall be deemed received when actually received in the office of the addressee (or by the addressee if personally delivered) or when delivery is refused, as shown on the receipt of the U.S. Postal Service, private carrier or other Person making the delivery. Notwithstanding the foregoing, Notices sent by facsimile after 4:00 p.m. Pacific Standard or Daylight Time (as applicable) and all other Notices received after 5:00 p.m. shall be deemed received on the first Business Day following delivery (that is, in order for a fax to be deemed received on the same day, at least the first page of the fax must have been received before 4:00 p.m.). Any technical or other communications pertaining to the Work shall be conducted by the DB Contractor Representative and technical representatives designated by RCTC.

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30.10.3. DB Contractor shall copy RCTC on all written correspondence pertaining to this Contract between DB Contractor and any Person other than DB Contractor's Subcontractors, consultants and attorneys.

30.11. Taxes

30.11.1. DB Contractor shall pay, prior to delinquency, all applicable taxes. DB Contractor accepts sole responsibility and agrees it shall have no right to a Change Order or to any other Claim, because of its misinterpretation of Governmental Rules respecting taxes, or incorrect assumptions regarding applicability of taxes.

30.12. Further Assurances

DB Contractor shall promptly execute and deliver to RCTC all such instruments and other documents and assurances as are reasonably requested by RCTC to further evidence the obligations of DB Contractor under this Contract, including assurances regarding the validity of (a) the assignments of Subcontracts contained in this Contract and (b) any instruments securing performance hereof.

30.13. Severability

If any clause, provision, Section or part of this Contract is ruled invalid under Section 28 or otherwise by a court having proper jurisdiction, then the Parties shall: (a) promptly meet and negotiate a substitute for such clause, provision, Section or part, which shall, to the greatest extent legally permissible, effect the original intent of the Parties, including an equitable adjustment to the Contract Price to account for any change in the Work resulting from such invalidated portion; and (b) if necessary or desirable, apply to the court or other decision maker (as applicable) which declared such invalidity for an interpretation of the invalidated portion to guide the negotiations. The invalidity or unenforceability of any such clause, provision, Section or part shall not affect the validity or enforceability of the balance of this Contract, which shall be construed and enforced as if this Contract did not contain such invalid or unenforceable clause, provision, Section or part.

30.14. Headings

The table of contents and captions of the Sections of this Contract are for convenience only and shall not be deemed part of this Contract or considered in construing this Contract.

30.15. Entire Agreement

This Contract contain the entire understanding of the Parties with respect to the subject matter hereof and supersede all prior agreements, understandings, statements, representations and negotiations between the Parties with respect to its subject matter.

30.16. Counterparts

This instrument may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

30.17. Costs

(a) Each Party is responsible for paying its own Costs and expenses incurred in connection with the negotiation, preparation and execution and delivery of this Contract.

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(b) Except as otherwise provided in this Contract, each Party perform its obligations in accordance with this Contract at its own Cost and risk.

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SECTION 31
SIGNATURE WARRANTY

31.1. Signature Warranty

Each signatory to this Contract warrants that the signatory has necessary authority to execute this Contract on behalf of the entity represented.

[Signatures on next page]

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IN WITNESS WHEREOF, this Contract has been executed as of _____, 2026.

DB CONTRACTOR:
SC Constructors, a Joint Venture

Skanska USA Civil West California District Inc., a California corporation, Joint Venture Member

By: _____

Name: _____

Title: _____

Date: _____, 2026

Coffman Specialties, Inc., a California corporation, Joint Venture Member

By: _____

Name: _____

Title: _____

Date: _____, 2026

RCTC:
RIVERSIDE COUNTY TRANSPORTATION COMMISSION

By: _____

Name: Aaron Hake

Title: Executive Director

Date: _____, 2026

APPROVED AS TO FORM:

By: _____
Steve de Baun, General Counsel

Date: _____, 2026

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EXHIBIT 1

ABBREVIATIONS AND DEFINITIONS

Unless the context otherwise requires:

(a) The following abbreviations, capitalized terms or terms used in the Department Standard Specifications as used in this Contract have the meanings given in this Exhibit 1; and

(b) The definitions in this Exhibit 1 that are in lower case also apply to terms that are capitalized.

Abbreviation	Meaning
AADTT	Annual Average Daily Truck Traffic
AAN	Approved As Noted
AASHTO	American Association of State Highway and Transportation Officials
AB	aggregate base
ACI	American Concrete Institute
ADA	Americans with Disabilities Act
ADAS	Automatic Data Acquisition System
ADL	Aerially Deposited Lead
AFC	Authorized for Construction
AFF	Authorized for Fabrication
AML	Authorized Materials List
ANSI	American National Standards Institute
APE	Area of Potential Effect
AQMD	Air Quality Management District
ARB	California Air Resources Board
AS	aggregate subbase
ASME	American Society of Mechanical Engineers
ASNT	American Society of Nondestructive Testing
ASTM	American Society of Testing and Materials
AT&T	American Telephone & Telegraph
AV	Audio Visual
AWS	American Welding Society

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BMP	Best Management Practice
BO	Biological Opinion
BSDS	Bridge Site Data Submittal
BSPP	Business Support Program Plan
CAC	California Certified Asbestos Consultant
CADD	Computer Aided Drafting and Design
Cal-NExUS	California Numbered Exit Uniform System
Cal-OSHA	California Division of Occupational Safety and Health Administration
CAP	Critical Activity Point
CAR	Corrective Action Report
CAT	Contract Acceptance Testing
CCI	Construction Cost Index
CCITT	International Telegraph and Telephone Consultative Committee
CCP	Crisis Communication Plan
CCO	Contract Change Order
CCR	California Code of Regulations
CCS	California Coordinate System
CCTV	Closed Circuit Television
CDFW	California Department of Fish and Wildlife
CEQA	California Environmental Quality Act
CERCLA	Comprehensive Environmental Response Compensation and Liability Act
CFR	Code of Federal Regulations
CHP	California Highway Patrol
CHST	Construction Health and Safety Technician
CIDH	Cast-In-Drilled-Hole
CIH	Certified Industrial Hygienist
CIP	Corridor Improvement Project
CLOMR	Conditional Letter Map or Revision
CMS	Changeable Message Sign

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CMU	DIR's Compliance Monitoring Unit
CNDDB	California Natural Diversity Database
COZEEP	Construction Zone Enhanced Enforcement Program
CPL	Contractor's Pollution Liability (insurance)
CPM	critical path method
CPP	Communication Protocol Plan
CPR	Cardiopulmonary Resuscitation
CPT	Cone Penetration Test
CPUC	California Public Utilities Commission
CQMP	Construction Quality Management Plan
CQVM	Construction Quality Validation Manager
CRCP	continuously reinforced concrete pavement
CRM	crumb rubber modifier
CSI	Construction Specifications Institute
CSL	crosshole sonic logging
CTB	cement treated base
CTM	California Test Method
CWI	AWS Certified Welding Inspector
DBE	Disadvantaged Business Enterprise
DBESP	Determination of Biological Equivalent or Superior Preservation
DFEH	California Department of Fair Employment and Housing
DGS	California Department of General Services
DHCP	Dynamic Host Configuration Protocol
DIGGS	Data Interchange for Geotechnical and Geoenvironmental Specialists
DIR	California Department of Industrial Relations
DLAPM	Department Local Assistance Procedures Manual
DLC	Detector Lead-In Cable
DMP	Document Management Plan
DMS	Document Management System

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DOSH	Division of Occupational Safety and Health
DOT	Department of Transportation
Dpi	Dots per inch
DPN	Department Parcel Number
DPPIA	Design Pollution Prevention Infiltration Area
DQMP	Design Quality Management Plan
DQVM	Design Quality Validation Manager
DRB	Dispute Resolution Board
DSA	Division of the State Architect
DSDD	Design Standard Decision Document
DTSC	Department of Toxic Substances Control
DVBE	Disabled Veteran Business Enterprise
DVD	Digital Versatile Disc
EA	Expenditure Authorization
ECM	Environmental Compliance Manager
ECR	Environmental Commitments Record
EDMS	Electronic Document Management System
EEO	Equal Employment Opportunity
EI	Expansion Index
EIA/ECIA	Electronic Industries Alliance/Electronic Components Industry Association
EIT	Engineer-in-Training
EL	Express Lane
ELC	I-15Express Lanes Connector
ELP	15 Express Lanes Project
ELPSE	Express Lanes Project Southern Extension
EMS	Extinguishable Message Sign
EOR	Engineer of Record
ERS	Earth Retaining Systems
ESA	Environmentally Sensitive Area
ETC	Electronic Toll Collection

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ETW	Edge of Travel Way
f_c	extreme fiber compressive stress in concrete at service loads
f'_c	compressive strength of concrete
F/O	Fiber Optic
FD	Final Design
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FR	Foundation Report
FRP	Fiber Reinforced Polymer
FSP	Freeway Service Patrol
FTE	Full-time equivalent
GAD	Geometric Approval Drawing
Gbps	Gigabit per second
GDR	Geotechnical Design Report
GEP	Geotechnical Execution Plan
GGL	gamma-gamma logging
GMP	Guaranteed Maximum Price
GP	General Purpose
GPS	Global Positioning System
G&A	General and Administrative expenses
HAZWOPER	Hazardous Waste Operations and Emergency Response
HDM	Department Highway Design Manual
HEC	Hydraulic Engineering Circular
HM	Hazardous Materials
HMA	Hot Mix Asphalt
HMA-O	hot mix asphalt (open graded)
HOV	High Occupancy Vehicle
HS	high strength
HVAC	Heating Ventilation and Air Conditioning
I-15	Interstate 15

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IAST	Independent Assurance Sampling and Testing
ICC	International Code Council
ICE	Independent Cost Estimator or Independent Cost Estimate (as the context requires)
IDR	Inspector Daily Report
IEEE	Institute of Electrical and Electronics Engineers
IES	Illuminating Engineer Society
IFR	Interim Final Rule
IH	Interstate Highway
IIPP	Injury and Illness and Prevention Program
INVEST	Infrastructure Voluntary Evaluation Sustainability Tool
IP	Internet Protocol
IRI	International Roughness Index
ISO	Insurance Services Office
IT	Information Technology
ITE	Institute of Transportation Engineers
ITP	Instructions to Proposers
ITS	Intelligent Transport Systems
JHA	Job Hazard Analysis
JPCP	Jointed Plain Concrete Pavement
JPEG	Joint Photographic Experts Group
JRT	Joint Resolution Team
LAPM	Local Assistance Procedures Manual
LBP	Lead-Based Paint
LCB	Lean Concrete Base
LCCA	Life Cycle Cost Analysis
LCP	Labor Compliance Program
LCS	Department's lane closure system
LED	Light Emitting Diode
LOE	Level of Effort
LOTB	Log of Test Borings

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LOTO	Lockout/Tagout
LRFD	Load and Resistance Factor Design
LTDS	long term design strength
MB	Megabyte
METS	Material Engineering and Testing Services
MIT	Magnetic Imaging Technology
MOT	Maintenance of Traffic
MPQP	*Material Plant Quality Program* published by the Department
MR	movement rating
MRI	Mean Roughness Index
MSDS[b]	material safety data sheet
MSE	Mechanically Stabilized Earth
MSHCP	Multiple Specific Habitat Conservation Plan
MUTCD	Manual on Uniform Traffic Control Devices
MVP	Maintenance Vehicle Pullout
NAD	North American Datum
NAHC	Native American Heritage Commission
NAL	numeric action level
NAVD	North American Vertical Datum
NCR	Nonconformance Report
NCR/MAR	New Connections Report/Modified Access Report
NDC	Notice of Design Change
NDT	nondestructive testing
NEC	National Electrical Code
NEMA	National Electrical Manufacturers Association
NEPA	National Environmental Policy Act
NESC	National Electric Safety Code
NET	No Exceptions Taken
NFPA	National Fire Protection Association
NHPA	National Historic Preservation Act

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NOI	Notice of Intent
NONC	Notice of Non-Conformance
NOT	Notice of Termination
NPT	National Pipe Thread Taper
NRTL	Nationally Recognized Testing Laboratory
NSSP	Non-Standard Special Provision
OC	Overcrossing
OFAC	Office of Foreign Assets Control of the United States Department of the Treasury
OFCCP	Office of Federal Contract Compliance Program
OH	Overhead
OJT	On-the-Job Training
OPC	Opinion of Probable Cost
OSC	Offices of Structure Construction
OSD	Offices of Structure Design
OSFP	Office of Special Funded Projects
OT	Overtime
OTS	over-the-shoulder
PA/ED	Project Approval/Environmental Document
PALM	Project Aesthetics and Landscape Master Plan
PC	precast
PCC	Portland Cement Concrete
PCI	Protective Coatings Inspector
PCM	Project and Construction Manager
PCMS	portable changeable message sign
PDB	Progressive Design-Build
Pdf	portable document format
PE	Professional Engineer
PFR	Preliminary Foundation Report
PGSSP	Project General Standard Special Provision
PI	Plasticity Index

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PLS	Professional Land Surveyor
PMP	Project Management Plan
PPE	Personal Protective Equipment
PPM	Pages Per Minute
PS	prestressed
PS&E	Plans, Specifications and Estimates
PTS	Yellow Paint and Thermoplastic Striping
QC	Quality Control
QMP	Quality Management Plan
QPL	Qualified Products List
QV	Quality Validation
QVe	Quality Verification
RCFC&WCD	Riverside County Flood Control & Water Conservation District
RCP	Reinforced Concrete Pipe
RCTC	Riverside County Transportation Commission
RFC	Release for Construction
RFI	Request For Information
RFQ	Request for Qualifications
RHMA	rubberized hot mix asphalt
RHMA-G	Rubberized Hot Mix Asphalt (Gap Graded)
RM	Ramp Meter
RMS	Ramp Meter System
ROC	RCTC Operations Center
ROW	Right of Way
RR	Railroad
RT	radiographic testing
SARWQCB	Santa Ana Regional Water Quality Control Board
SBCTA	San Bernardino County Transportation Authority
SBE	Small Business Enterprise
SCE	Southern California Edison

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SCG	Southern California Gas
SCRRA	Southern California Regional Rail Authority
SDC	Seismic Design Criteria
SDS	safety data sheet
SER	Standard Environmental Reference
SF	Square Foot
SH	State Highway
SHE	Safety, Health and Environmental
SKR	Stephen's Kangaroo Rat
SMFO	Single Mode Fiber-Optic
SPT	Standard Penetration Test
SR	State Route
SR-74	State Route 74
SR-91	State Route 91
SRC	District 8 Safety Review Committee
SSID	Service Set Identification
SSP	Standard Special Provisions
SUE	Subsurface Utility Engineering
SUV	Service Utility Vehicle
SWDR	Storm Water Data Report
SWPPP	Storm Water Pollution Prevention Plan
TCE	Temporary Construction Easement
TCP	Traffic Control Plan
TCS	Toll Collection System
TEES	Department Transportation Electrical Equipment Specification
TI	Traffic Index
TIFF	Tagged Image File Format
TMC	Traffic Management Center
TMDL	Total Maximum Daily Load
TMP	Transportation Management Plan

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TMS	Transportation Management System
TOC	Toll Backbone Communications and Operations Center
TOS	Traffic Operations System
TP	Technical Provisions
TRO	time-related overhead
TS	Traffic Signal
TSP	Toll Services Provider
TUB	Toll Utility Building
TW	Time Warner
UC	Undercrossing
UL	Underwriters Laboratories, Inc.
USACE	United States Army Corps of Engineers
USB	Universal Serial Bus
U.S. GAAP	Generally Accepted Accounting Principles
U.S.C.	United States Code
USDOL	United States Department of Labor
USDOT	United States Department of Transportation
USEPA	United States Environmental Protection Agency
USFWS	United States Fish and Wildlife Service
UTP	Unshielded Twisted Pair
VAC	Voltage Alternating Current
VGA	Video Graphics Array
VLAN	Virtual Local Area Network
VTMS	Variable Toll Message Sign
WAN	Wide Area Network
WBS	Work Breakdown Structure
WDR	Waste Discharge Requirement
WLAN	Wireless Local Area Network

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15 EL Closure Charges means the charges payable by DB Contractor to RCTC for certain Lane Closures of 15 Express Lanes, as set forth in Exhibit 6 (Lane Closures).

15 Express Lanes/15 EL means the existing one to two tolled express lanes in each direction generally between the I-15/Cajalco Road interchange and the I-15/State Route 60 interchange through the cities of Corona, Norco, Eastvale, Jurupa Valley, and portions of unincorporated Riverside County.

abandon means to render unserviceable in place.

Acceleration Costs means those fully documented increased Costs expressly authorized in writing by RCTC and reasonably incurred by DB Contractor (that is, reasonable Costs over and above what DB Contractor would otherwise have incurred) which are directly and solely attributable to increasing the performance and production levels of the Work to complete necessary elements or packages of the Work earlier than otherwise anticipated, such as for additional equipment, additional crews, lost productivity, overtime and shift premiums, increased supervision and any unexpected material, equipment or crew movement necessary for resequencing in connection with accelerated efforts. Profit, overhead and indirect costs in connection with acceleration efforts shall not exceed the amount allowed under Section 9 of Exhibit 5 (Modified Standard Specification).

activity means, in the context of Project Schedules, a task, event, or other project element on a schedule that contributes to completing the project. An activity has a description, start date, finish date, duration, and one or more logic ties.

Actual Knowledge means facts and information actually known to RCTC, DB Contractor or RCTC's or the DB Contractor Representative (in each case, as applicable), after due consultation with other personnel of such Person (or in the case of DB Contractor, each DB-Related Entity), as applicable.

Additional Properties has the meaning given in Section 10.1.2(a) and includes any Utility Easements which are RCTC's responsibility to acquire in accordance with the applicable Utility Agreement(s) and are not included in the RCTC-Provided Property.

adjust or **Adjust** means, in the context of Utility-related Work, to raise or lower a facility to match a new grade line.

ADL Management Plan means the plan described in TP Section 6.4.5 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Administrative Documents has the meaning given in TP Section 3.2 Administrative Documents and includes: PMP, QMP, Schedules, other Project plans, etc. and all Submittals not deemed Design Documents or Construction Documents.

Administrative Project Plans means the project plans for each of Phase 1 and Phase 2 specified in the Contract Particulars, as updated and approved by RCTC in accordance with this Contract.

aerially deposited lead (ADL) means lead primarily from vehicle emissions deposited within unpaved areas or formerly unpaved areas.

Aesthetics and Replacement Planting Concept Meeting has the meaning given in TP Section 20.2.3.

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Affidavit of Final Acceptance means the affidavit described in Section 17.5.1(a).

Affiliate means (a) any Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, DB Contractor or any of its members, partners, or shareholders holding a 10% or greater interest in DB Contractor; and (b) any Person for which 10% or more of the equity interest in such Person is held directly or indirectly, beneficially, or of record by (i) DB Contractor, (ii) any of DB Contractor's members, partners or 10% or greater shareholders, or (iii) any Affiliate of DB Contractor under clause (a) of this definition. For purposes of this definition the term "control" means the possession, directly or indirectly, of the power to cause the direction of the management of a Person, whether through voting securities, by contract, family relationship or otherwise. Work performed by Affiliates shall be deemed performed by DB Contractor.

Allowance Item means all work and/or goods described as allowance items in the Contract Particulars.

Allowance Value means the sum of money referred to in the Contract Particulars which is included in the Lump Sum (Phase 1) or GMP (Phase 2) (as applicable), including the direct cost of labor, materials, equipment, transportation, taxes and insurance directly associated with each applicable Allowance Item.

Allowed Uses has the meaning given in Section 29.5.4(a).

Application for Final Payment means DB Contractor's written request for Final Payment of the unpaid remainder of the Contract Price as described in Section 18.12.1.

Apprenticeable craft or **trade** has the meaning given in Exhibit 13-B (Labor Code Requirements).

Approved Subcontract Agreement means an agreement which is entered into by DB Contractor with a Subcontractor on the terms which have been approved in writing by RCTC.

Area of Potential Effect or **APE** means the area of potential effect identified in TP Attachment 6-2.

As-Built Documents means (a) the Final Construction Documents and related documentation revised to show changes made in the field during construction so that they reflect the Project's as-built condition; and (b) the As-Built Schedule.

As-Built Schedule means the final schedule for the Project, reflecting the actual scope, actual completion dates and actual durations of the activities in the Project Schedule.

Authorized for Construction means, for the Project's temporary construction elements, such as excavation and shoring plans, falsework plans, and guying plans, the designation indicating that the element may be constructed as shown in the corresponding Authorized for Construction stamp by the Quality Manager.

Authorized for Fabrication means, for the Project's working or shop drawings, the designation indicating that the element may be fabricated as shown in the corresponding Authorized for Fabrication stamp by the Quality Manager.

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authorized laboratory means an independent testing laboratory (a) not employed or compensated by any Subcontractor or Subcontractor's affiliate providing other services for this Contract, and (b) authorized by Department.

base means, in the context of road-building, a layer of specified material of planned thickness placed immediately below the pavement or surfacing.

Base License Rights has the meaning given in Section 29.5.2(a).

Baseline OPC has the meaning given in TP Section 8.4.

Baseline Schedule means the approved Submittal provided in accordance with TP Section 4.3.4 and Section 8.2.1.

basement material means, in the context of road-building, material in an excavation or embankment under the lowest layer to be placed.

Bat Management Plan means the plan described in TP Section 6.4.10.2 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Betterment has, with respect to a given Utility facility, the meaning (if any) given in the applicable Utility Agreement. In all other cases, the term "Betterment" means any upgrading of the Relocated Utility that is not attributable to the construction of the Project and is made solely for the benefit of and at the election of the Utility Owner, including an increase in the capacity, capability, level of service, efficiency, duration or function of the Relocated Utility facility over that which was provided by the existing Utility facility; except that the following are not considered Betterments in such cases:

(a) Any upgrading necessary for safe and effective construction of the Project;

(b) Replacement devices or materials that meet equivalent standards although they are not identical;

(c) Replacement of devices or materials no longer regularly manufactured with the next highest grade or size;

(d) Any upgrading required by applicable Governmental Rules (excluding any Governmental Rules that fall within the definition of Utility Standards for such Utility Owner); or

(e) Replacement devices or materials which are used for reasons of economy (e.g. non-stocked items may be uneconomical to purchase).

Bond means each of the Performance Bond, Payment Bond and Warranty Bond or any or all of them, as the context requires.

Books and Records means any and all documents, books, records, papers or other information of any DB-Related Entity or Affiliate relating to the Project, RCTC-Provided Property, Relocations, or Work, including:

(a) All design and construction documents (including drawings, specifications, Submittals, Subcontracts, invoices, schedules, meeting minutes, budgets, forecasts and change orders);

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(b) All budgets, OPCS, cost models, certificates, claims, correspondence, emails, daily time sheet and supervisor's daily reports, inspector's daily reports, data (including test data), cost accounting data, documents, expert analyses, facts, files, information, investigations, materials, notices, payroll documents, plans, projections, proposals, records, reports, requests, samples, schedules, settlements, statements, studies, surveys, tax returns and information, tests, test results, vehicular traffic information, operational information analyzed, categorized, characterized, created, collected, generated, maintained, processed, produced, prepared, provided, recorded, stored or used by any DB-Related Entity in connection with the Project;

(c) Union agreements;

(d) Insurance, welfare and benefits records;

(e) Payroll registers;

(f) Earnings records;

(g) Payroll tax forms;

(h) Material invoices and requisitions;

(i) Material cost distribution work sheet;

(j) Equipment records (list of company equipment, rates, etc.);

(k) Subcontractors' (including Suppliers) invoices;

(l) Subcontractors' and agents' payment certificates;

(m) Canceled checks;

(n) Job cost report;

(o) Job payroll ledger;

(p) General ledger;

(q) Cash disbursements journal;

(r) Project schedules;

(s) All documents that relate to each and every Claim and Dispute, together with all documents that support the amount of damages as to each Claim or Dispute;

(t) Work sheets used to prepare the Claim or Dispute establishing the cost components for items of the Claim or Dispute, including labor, benefits and insurance, materials, equipment, Subcontractors, all documents that establish the time periods, individuals involved, the hours for the individuals, and the rates for the individuals;

(u) Network servers, data storage devices, backup tapes/media;

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(v) Email, letters and correspondence; and

(w) With respect to all of the above, any information that is stored electronically or on computer-related media.

For purposes of the requirements of this Contract to maintain Books and Records, the term "Books and Records" includes documents or information that are subject to the attorney-client privilege, but for purposes of requirements of this Contract to provide access to Books and Records, the term specifically excludes documents or information that are subject to the attorney-client privilege and are identified in a privilege log as attorney-client privileged information.

Boulder means any rock that fails to pass through a 12-inch sieve as defined Department Soil and Rock Logging, Classification, and Presentation Manual (2022).

bridge means a structure that:

(a) Has a bridge number, and

(b) Carries a (1) utility, (2) railroad, or (3) vehicle, pedestrian, wildlife, or other traffic over, under, or around roadways or waterways.

Burrowing Owl Management Plan refers to the plan DB Contractor will develop as part of environmental compliance in alignment with the requirements of TP Section 6.4.10.1, as updated and approved by RCTC in accordance with this Contract.

Business Day means Monday through Friday, excluding weekends and Holidays.

Cal-OSHA means the California Department of Industrial Relations, Division of Occupational Safety and Health.

California Test means Department-developed test for determining work quality. For California Tests, go to the METS website.

Category C Costs means all Work or similar activities as set out in Tasks 100 and 400 in Exhibit 2-F.

Category D Costs means all Work or similar activities as set out in Tasks 200 and 300 in Exhibit 2-F.

CEQA Approval means the I-15 Express Lanes Project Southern Extension Environmental Impact Report/Environmental Assessment approved by RCTC on December 3, 2025.

certificate of compliance means, in the context of providing materials under the Technical Provisions, a certificate which complies with Modified Standard Specifications certifying that the material complies with this Contract.

Certificate of Environmental Compliance has the meaning given in TP Section 6.3.1.

Certificate of Final Acceptance means the Notice issued by RCTC to DB Contractor that, except for Plant Establishment Work, DB Contractor has achieved Final Acceptance, and all Work has been fully completed in accordance with this Contract.

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Certificate of Project Completion means the Notice issued by RCTC to DB Contractor that DB Contractor has achieved Project Completion.

Certificate of Substantial Completion means the Notice issued by RCTC to DB Contractor that DB Contractor has achieved Substantial Completion.

Certificate of Toll Package Turnover means each Notice issued by RCTC to DB Contractor that DB Contractor has achieved Toll Package Turnover with respect to a specific Toll Package.

Certification of As-Built Documents has the meaning given in TP Section 3.4.4.

Certification of Final Design Documents has the certificate described in TP Section 5.4 and Table 5-1.

Change means:

(a) Any addition, decrease, omission, deletion, modification, or removal to or from the Work, the Project or the Technical Provisions;

(b) Any change to a Completion Deadline or the Contract Price;

(c) Any addition, omission or change to insurance policy limits or deductibles; and

(d) Other items the Parties agree to be a Change or which this Contract states to be a Change,

excluding Deviations.

Change in Law means the enactment, adoption, modification, repeal or other change in any Governmental Rule that occurs after the Setting Date, including any change in the judicial or administrative interpretation of any Governmental Rule, or adoption of any new Governmental Rule, which is materially inconsistent with Governmental Rules in effect on the Setting Date, but excluding:

(a) Any change in or new Governmental Rule which was passed or adopted but not yet effective as of the Setting Date;

(b) A change in a Project Standard or Utility Standard;

(c) A DBE Event;

(d) A change in the way a Governmental Rule is applied or interpreted as a result of:

(i) The failure of any DB-Related Entity to comply with a Governmental Rule or any Governmental Approval; or

(ii) Any act or omission of any DB-Related Entity or any DB Contractor Fault;

(e) A change in any Governmental Rule relating to taxes (excluding any Change in Governmental Rule related to sales tax on materials that are permanently incorporated in the Work); or

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(f) A change in Governmental Rule which was not in force at the Setting Date but which (i) had been published as a draft bill or draft statutory instrument or otherwise specifically referred to prior to the Setting Date; (ii) a party experienced and competent in the implementation of works or services similar to the Work would have reasonably foreseen or anticipated prior to the Setting Date, including adoption of a national interoperability standard; or (iii) is substantially the same as a Governmental Rule in force prior to the Setting Date.

Change Notice means a Notice delivered by RCTC to DB Contractor in accordance with Section 21.4.1.

Change of Control means any assignment, sale, financing, grant of security interest, transfer of interest or other transaction of any type or description, including by or through voting securities, asset transfer, contract, merger, acquisition, succession, dissolution, liquidation or otherwise, that results, directly or indirectly, in a change in possession of the power to direct or control or cause the direction or control of the management of DB Contractor or a material aspect of its business. A Change of Control of a shareholder, member, partner or joint venture member of DB Contractor may constitute a Change of Control of DB Contractor if such shareholder, member, partner or joint venture member possesses the power to direct or control or cause the direction or control of the management of DB Contractor. Notwithstanding the foregoing, the following shall not constitute a Change of Control:

(a) A change in possession of the power to direct or control the management of DB Contractor or a material aspect of its business due solely to a bona fide transaction involving beneficial interests in the ultimate parent organization of a shareholder, member, partner or joint venture member of DB Contractor, (but not if the shareholder, member, partner or joint venture member is the ultimate parent organization), unless the transferee in such transaction is at the time of the transaction suspended or debarred or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or State department or agency;

(b) An upstream reorganization or transfer of direct or indirect interests in DB Contractor so long as no change occurs in the entity with ultimate power to direct or control or cause the direction or control of the management of DB Contractor;

(c) A transfer of interests between managed funds that are under common ownership or control other than a change in the management or control of a fund that manages or controls DB Contractor; or

(d) The exercise of minority veto or voting rights (whether provided by applicable Governmental Rules, by DB Contractor's organizational documents or by related member or shareholder agreements or similar agreements) over major business decisions of DB Contractor, provided that if such minority veto or voting rights are provided by shareholder or similar agreements, RCTC has previously received copies of such agreements.

Change Order means a written amendment to the terms and conditions of this Contract issued by RCTC to DB Contractor with respect to a Change or Relief Event in accordance with Section 21 and includes the undisputed portion of any "claim" from DB Contractor, as that term is defined in Public Contract Code section 9204.

Change Response has the meaning given in Section 21.4.3.

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Claim means any claim, proceeding, action, cause of action, demand, judgment, investigation or suit (including by way of contribution or indemnity) made:

(a) In connection with this Contract, the Project or the Site;

(b) Under Governmental Rules or in equity; or

(c) For specific performance, restitution, payment of money (including damages), an extension of time, or any other form of relief.

Submission of a DB Contractor Change Request is not a Claim.

closure means a closure of a traffic lane or lanes, including shoulder, ramp or connector lanes, within a single traffic control system.

Code means the statutory law of the State.

commercial quality means the level of quality meeting the Good Industry Practice.

commercial source means an established business operating as a material source for the general public.

Commission means the governing body of RCTC.

Compensable Event means Relief Events (excluding Force Majeure Events).

Completion Deadline means each Toll Package Turnover Deadline, Substantial Completion Deadline, Project Completion Deadline and Final Acceptance Deadline, or all of them as the context requires.

Completion Milestone means each Toll Package Turnover Deadline, Substantial Completion, Project Completion, or Final Acceptance, or all of them as the context requires.

Computer and Network Administration Plan means the plan described in TP Section 2.7.3 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Conceptual Design Package has the meaning given in TP Section 3.3.1.4.

Conduit means any conduit, casing, sleeve, hanger, attachment, or blockout for installation or protection of Utilities attached to or installed through structures, or installed under rail or roadway crossings, and any associated pull-ropes for Utility cables.

Construction Documents means all shop drawings, working drawings, fabrication plans, material and hardware descriptions, specifications, construction quality control reports, construction quality validation reports and samples necessary for construction of the Project in accordance with this Contract.

Construction Manager has the meaning given in TP Section 2.2.1.3.

Construction Notice to Owner has the meaning given in TP Section 7.2.4.

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Construction Quality Management Plan means the plan described in TP Section 5.3.3 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Construction Quality Validation Manager has the meaning given in TP Section 2.2.1.11.

Construction Safety Orders means the California Construction Safety Orders of the Division of Occupational Safety and Health.

Construction Work means all Work to build or construct, make, form, manufacture, furnish, install, supply, deliver, landscape or equip the Project.

Construction Work Zone means the portion of the RCTC-Provided Property (including the ROW) in which a DB-Related Entity's construction equipment or material is present, or temporary traffic control devices, including temporary traffic striping and temporary signing, for the purposes of construction by any DB-Related Entity, are in place.

Contaminated Groundwater means any extracted, pumped and/or ponded groundwater that contains Hazardous Materials.

Contract means this Progressive Design-Build Contract made and entered into between RCTC, and DB Contractor, including:

(a) Upon the Effective Date, for Phase 1 (only) constituted by:

(i) The body of this Progressive Design-Build Contract;

(ii) All Exhibits of this Progressive Design-Build Contract, other than Exhibit 9; and

(iii) All other documents, if any, specified in the Contract Particulars (Phase 1); and

(b) For Phase 2 constituted by:

(i) The documents referred to in subsection (a) of this definition, except to the extent the Contract Particulars (Phase 2) supersedes the Contract Particulars (Phase 1);

(ii) The Phase 2 Amendment;

(iii) All Exhibits of this Progressive Design-Build Contract; and

(iv) All other documents, if any, specified in the Contract Particulars (Phase 2).

Contract Particulars means Exhibit 2-A (Contract Particulars (Phase 1)) and Exhibit 9-A (Contract Particulars (Phase 2)), or either of them as the context requires.

Contract Price means the sum of the Lump Sum (Phase 1) and GMP (Phase 2), subject to adjustment only in accordance with the express terms of this Contract.

Contractor means the entity identified as "DB Contractor" under this Contract.

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Controlling activity means, in the context of Project Schedules, a construction activity that will extend the scheduled completion date if delayed.

Corrective Action Plan has the meaning given in Section 9.4(c)(iii).

Corrective Action Report or **CAR** has the meaning given in TP Section 5.3.3.1.3, as applicable.

Cost(s) means the actual, documented, direct incremental costs of design, construction, commissioning, maintenance, or repair (as applicable).

Cost and Schedule Proposal has the meaning given in Section 21.4.3(a)(v).

Cost Liability means the obligation to bear the cost of a Relocation (as between RCTC and the Utility Owner), whether arising out of common or statutory law or contract (including Utility Agreements), as determined by RCTC, in its good faith discretion.

Cost Model has the meaning given in TP Section 8.

Cost of the Work has the meaning given in Exhibit 11 (Cost Schedule).

Cost of the Work Contingency means those Phase 1 contingency items designated for reimbursement under Section 18.8.

Cost Submission has the meaning given in Section 7.12.

Cost Validation has the meaning given in TP Section 8.2.

Co-Located Office is a single office space, occupied by RCTC and Department staff, and the DB Contractor, or two directly connecting office spaces within the same building, within one mile of the Planned ROW Limits.

Co-Located Office Layout Plan refers to the plan DB Contractor will develop and submit to RCTC for comment regarding office co-location during project phases in alignment with the requirements of TP Section 2.6 and 2.7 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Co-Sureties has the meaning given in Exhibit 7-A (Performance Bond).

Critical Activity Point has the meaning given in TP Section 5.3.3.4.

Critical Path means each critical path on the Project Schedule which ends on the applicable Completion Deadline, as applicable (i.e., the term shall apply only following consumption of all available Float in the schedule for a Completion Milestone, as applicable). The lower case term "critical path," as used in the preceding sentence, means the longest continuous chain of activities for the Project that has the least amount of total float of all chains.

Critical Path Method means a method of planning and scheduling for a project where activities are arranged based on activity relationships (i.e., a network-based planning technique using activity durations and relationships between activities to calculate a schedule for the entire project). This process determines which activities are "critical" (i.e., on the longest path) and which have "total float" (i.e., can be delayed without making the project longer).

Crotch Bumble Bee Monitoring Plan means the plan referenced in TP Section 6.4.10.5.

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Culvert means a structure other than a bridge that provides an opening under a roadway.

Data Date means, in the context of the Project Schedules, the day after the date through which a schedule is current. Everything occurring earlier than the data date is as-built and everything on or after the data date is planned.

Date of Phase 2 Approval has the meaning given in Section 7.5.2(a).

Day or day means a calendar day.

DB Contractor means the design-builder specified in the Contract Particulars (Phase 1) to perform the Work, as replaced in accordance with this Contractor.

DB Contractor Audited (G&A) Rate means DB Contractor's auditable costs which generally benefit more than one project or are impractical to separate by project, also known as home office overhead includes:

(a) Corporate management;

(b) Corporate information technology (IT);

(c) Corporate insurance;

(d) Legal services;

(e) Equipment procurement;

(f) Training;

(g) Financial accounting;

(h) Marketing; and

(i) Human resources and benefit administration.

DB Contractor Change Request means a Notice delivered by DB Contractor to RCTC in accordance with Section 21.5.1(b).

DB Contractor Default has the meaning given in Section 24.1.1.

DB Contractor Fault means:

(j) A breach by DB Contractor of any of its obligations or any representation or warranty under this Contract;

(k) A failure by DB Contractor to submit and/or obtain RCTC's approval of any Submittal;

(l) A breach or violation by any DB-Related Entity of any Governmental Rule or Governmental Approval; or

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(m) Negligence, gross negligence, fraud, bad faith recklessness, criminal conduct intentional misconduct or any other negligent or culpable act or omission by any DB-Related Entity.

DB Contractor IP means Intellectual Property that is (i) owned by any DB-Related Entity prior to the Effective Date, (ii) developed by any DB-Related Entity independently of the Contract or (iii) any adaptation, continuation or derivative work which requires the incorporation, exercise or practice of Intellectual Property that is the subject of either clause (i) or (ii).

DB Contractor Release of Hazardous Materials means any spill or release, or threatened spill or release, of a Hazardous Material and in the case of clause (b), any exacerbation of any existing release or condition of Hazardous Materials, that was (a) brought onto the Site by a DB-Related Entity, or (b) attributable to any act or omission of any DB-Related Entity or any DB Contractor Fault.

DB Contractor's Markup (Phase 1) means the fixed fee for markup included the Contract Particulars (Phase 1), which represents the DB Contractor's overhead and profit for the Phase 1 Work.

DB Contractor's Markup (Phase 2) means the fixed fee for markup included the Contract Particulars (Phase 2), which represents the DB Contractor's overhead and profit for the Phase 2 Work.

DB Contractor's Utility Conflict Matrix means an update to the Preliminary Utility Matrix to be provided by DB Contractor as described in TP Section 7.3.5.

DB-Related Entities means DB Contractor, Subcontractors or any of, their respective employees, agents, representatives, shareholders, directors, members, managers, partners and officers and all other Persons for whom DB Contractor may be legally or contractually responsible.

DB Utility Work has the meaning given in Section 10.3.1(c).

DBE Event means Department's reestablishment of the DBE program requirements in Section 12.7, which materially and adversely directly affects DB Contractor's obligations under this Contract.

DBE Open Ended Performance Plan means the plan described in TP Section 2.2.5 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

debarred has the meaning given in Attachment 2 to Exhibit 13.

Demarcation Matrix means the table setting out the responsibilities of DB Contractor and TSP with respect to the Project set out in TP Attachment 19-1.

Department means the State of California Department of Transportation as defined in Streets and Highways Code section 20 and authorized in Streets and Highways Code section 90; and its authorized representatives.

Department Cooperative Agreement means the cooperative agreement between RCTC and Department identified in Recital B to this Contract.

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Department Documents means the Department Standard Plans, Department Revised Standard Plans, the Department Standard Specifications, the Department Revised Standard Specifications, the Department Standard Special Provisions, and all other provisions of publications, manuals, handbooks, engineering manuals, technical memoranda, standards, guidelines rules and regulations of Department that are applicable to the type of Work required under this Contract.

Department Quality Manual Outline has the meaning given in TP Section 5.

Department Safety Review Committee has the meaning given in TP Section 22.2.7.

Department Standard Plans means the Department's standardized engineering drawings on the Department's website used to reduce redundancy and ensure consistency in design and construction details for recurring elements.

Department Standard Specifications or **Standard Specifications** has the meaning given in Section 1.5.1.

Design Build Coordinator has the meaning given in TP Section 2.2.1.5.

Design Documents means all drawings (including plans, elevations, sections, details and diagrams), specifications, reports, calculations, records and other Submittals developed by DB Contractor as necessary for design of each Phase of the Project in accordance with this Contract, following approval by RCTC and others as required by this Contract. Design Documents include the Final Design Documents.

Design Lead Engineer – Roadway has the meaning given in TP Section 2.2.1.7.

Design Lead Engineer - Structures has the meaning given in TP Section 2.2.1.6.

Design Manager has the meaning given in TP Section 2.2.1.4.

Design Quality Management Plan means the plan described in TP Section 5.3.2 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Design Quality Validation Manager has the meaning given in TP Section 2.2.2.1.

Design Review means the formal review of an existing or proposed design for the purpose of detection and remedy of design deficiencies that would, among other things, affect fitness-for-use and environmental aspects of the product, process or service, and/or identification of potential improvements of performance, safety and economic aspects.

Design Standard Decision Documents (DSDD) has the meaning given in TP Section 10.3.2.

Design Work means all Work related to the design, engineering or architecture for the Project.

detour means a temporary route for traffic around a closed road part. A passageway through a job site is not a detour.

Deviation means any change, deviation, modification, or alteration from the requirements of this Contract (including deviations from standards referenced in this Contract) but excluding any Change that is approved by RCTC in accordance with Section 21.24.

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Differing Site Condition means:

(a) Subsurface or latent physical conditions that are encountered at or near the Site that differ from those reasonably assumed by DB Contractor based on information disclosed in the RFQ or Reference Documents provided by RCTC;

(b) Physical conditions of an unusual nature, differing materially from those ordinarily encountered in the area and generally recognized as inherent in the type of work provided for in the Contract including:

(i) The discovery at, near or on the Site of any archaeological, paleontological, biological or cultural resource; and

(ii) The discovery at, near or on the Site of any species listed as threatened or endangered under the federal or State Endangered Species Act, except to the extent that the RCTC-Provided Approvals provide for mitigation measures to be undertaken with respect thereto (regardless of whether the species is listed as threatened or endangered as of the Setting Date), and also subject to the risk allocation provisions contained in Section 11 (relating to DB Contractor's obligation to obtain and maintain environmental approvals under certain circumstances).

The definition of Differing Site Condition excludes:

(a) The discovery of any Boulder that is less than four feet in diameter or does not have a material impact on DB Contractor's performance of the Work;

(b) Utilities documented by or recorded with the USA Dig Alert of Southern California;

(c) Hazardous Materials;

(d) Moving groundwater;

(e) Any differences in groundwater depth, flow or location from the depths, flow or location, if any, noted in the Reference Documents or otherwise;

(f) Any differences between actual conditions and As-Built Reference Documents;

(g) In the case of Work performed during Phase 1, any condition known to DB Contractor prior to the Effective Date or that would have become known to DB Contractor by undertaking a Reasonable Investigation prior to the SOQ Step 2 Submittal Date; and

(h) In the case of Work performed during Phase 2, known to DB Contractor prior to the Date of Phase 2 Approval or that could have been discovered by performing a Phase 1 Site Investigation in accordance with Good Industry Practice prior to the date of submitting the Phase 2 Proposal.

Directive Letter means a Notice issued by RCTC under Section 21.3.

disabled veteran business enterprise means a business certified as a DVBE by the State Department of General Services, Office of Small Business and DVBE Services.

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Disadvantaged Business Enterprise (DBE) means a disadvantaged business enterprise as defined in 49 CFR § 26.5.

dispose of means to remove from the job site.

Dispute means a disagreement between the Parties as to the merits, amounts, or remedy arising out of an issue in controversy, including a disagreement regarding a Claim.

Disputes Review Board means the Project's adjudication board established by the Parties under Section 28.3.

District 8 means Department District 8.

divided highway means a highway with separated traveled ways for traffic, generally in opposite directions.

Document Control Manager has the meaning given in TP Section 2.2.3.1.

Document Management Plan means the plan described in TP Section 2.3.1 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Draft Invoice means a draft invoice in the form included in Exhibit 8-A including all documents and information required by Section 18.10, prepared for the purposes of the Progress Schedule Invoice Meeting.

Early Termination Date has the meaning given in Section 2.3.1.

Effective Date has the meaning given in the Recitals to this Contract.

Electronic Document Management System has the meaning given in TP Section 2.3.2.

Eligible Surety means a Surety licensed in the State, listed on the U.S. Department of the Treasury's "Listing and Approved Sureties" (found at www.fms.treas.gov/c570/c570.html), rated "A" or higher by at least two nationally recognized rating agencies (Fitch Ratings, Moody's Investor Service and Standard & Poor's) or rated at least A-, X or higher according to A.M. Best's Financial Strength Rating and Financial Size.

ELPSE Revenue Service Commencement Date means the date after or coincident with Substantial Completion of any Segment of the Project upon which the Toll Facilities commence revenue service.

Emergency Action Plan means the plan described in TP Section 21.2.3.3 to be prepared and updated by DB Contractor, as approved by RCTC in accordance with this Contract.

Emergency Incident Action and Communications Crisis Protocol Plan means the plan described in TP Section 2.4 to be prepared and updated by DB Contractor, as approved by RCTC in accordance with this Contract.

Encroachment Permit Construction Commencement Date means the date the Department issues written authorization that allows DB Contractor to perform Construction Work.

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Encroachment Permit Investigation Commencement Date means the date the Department issues written authorization that allows DB Contractor to perform investigations within the Department's right-of-way for Phase 1 Work.

Engineer means, subject to Section 1.7.2(b), a Registered Professional Engineer authorized by DB Contractor to perform or furnish professional services in connection with the Work.

ENR Los Angeles Construction Cost Index means the Los Angeles Construction Cost Index published by Engineering News Record.

Environmental Approvals means all Governmental Approvals arising from or required by any Environmental Law in connection with construction, use or operation of the Project, including approvals and permits required under the National Environmental Policy Act (42 U.S.C. §§ 4321 et seq.), as amended, or the California Environmental Quality Act (section 21000 et seq. of the Public Resources Code). Environmental Approvals include the EIR/EA. In the case of the NEPA/CEQA Revalidation and the ROD**,** DB Contractor's obligations with respect to such Environmental Approvals are limited to those obligations set out in the Environmental Commitments Record.

Environmental Commitments Record means the document entitled "Environmental Commitments Record" included in TP Attachment 6-1 (Project Environmental Commitment Requirements).

Environmental Compliance Manager has the meaning given in TP Section 2.2.1.8.

Environmental Document means any draft or final decision document prepared as part of the Environmental Review Process.

Environmental Laws means (1) all Governmental Rules applicable to the Project or the Work now or hereafter in effect regulating, relating to, or imposing liability or standards of conduct concerning the environment or to generation, production, emissions, discharges, storage, use, handling, transportation, treatment, disposal, remediation, releases or threatened releases of Hazardous Materials or other hazardous, toxic or dangerous waste, pollutants, contaminants, substances, or materials into the environment including into the air, surface water or ground water or onto land, and (2) any requirements and standards that pertain to the protection of the environment, or to the management of Hazardous Materials or generation, production, emissions, storage, use, handling, transportation, treatment, disposal, remediation, discharges, releases or threatened releases of Hazardous Materials or other hazardous, toxic or dangerous waste, pollutants, contaminants, substances or materials into the environment, contamination of any type whatsoever, or health and safety matters with respect to Hazardous Materials, set forth in any Governmental Approval, or other criteria and guidelines promulgated, in accordance with Governmental Rules applicable to the Project or the Work, as each of the foregoing have been or are amended, modified, or supplemented from time to time (including any present and future amendments thereto and reauthorizations thereof), including those relating to:

(i) The manufacture, processing, distribution, use, re-use, treatment, storage, disposal, transport or handling of Hazardous Materials or other hazardous, toxic or dangerous waste, pollutants, contaminants, substances or materials;

(j) The protection of public health, public welfare, public safety or the environment (including protection of nonhuman forms of life, land, surface water, groundwater and air);

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(k) Air, soil, surface and subsurface strata, stream sediments, surface water, and groundwater;

(l) Releases of Hazardous Materials;

(m) Protection of wildlife, endangered, threatened, and sensitive species, wetlands, water courses and water bodies, parks and recreation lands, cultural, historical, archeological, and paleontological resources and natural resources;

(n) The operation and closure of underground or aboveground storage tanks;

(o) Health and safety of employees and other persons with respect to Hazardous Materials; or other hazardous, toxic or dangerous waste, pollutants, contaminants, substances or materials; and

(p) Notification, documentation and record keeping requirements relating to the foregoing.

Without limiting the above, the term "Environmental Laws" shall also include the following (all as amended):

(i) The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. ("**CERCLA**");

(ii) The Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. ("**RCRA**");

(iii) The Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. § 11001 et seq;

(iv) The Toxic Substances Control Act, 15 U.S.C. § 2601 et seq;

(v) The National Environmental Policy Act, 42 U.S.C. § 4321 et seq;

(vi) The Occupational Safety and Health Act, 29 U.S.C. § 651 et seq;

(vii) The California Occupational Safety and Health Act of 1973, Lab. Code § 63000 et seq;

(viii) The Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq;

(ix) The Endangered Species Act, 16 U.S.C. § 1531 et seq;

(x) The Clean Water Act, 33 U.S.C. § 1251 et seq;

(xi) The Clean Air Act, 42 U.S.C. § 7401 et seq;

(xii) The Federal Water Pollution Control Act, as amended by the Clean Water Act, 33 U.S.C. § 1251 et seq;

(xiii) The Oil Pollution Act, 33 U.S.C. § 2701 et seq;

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(xiv) The Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 et seq;

(xv) The Federal Safe Drinking Water Act, 42 U.S.C. § 300 et seq;

(xvi) The Federal Radon and Indoor Air Quality Research Act, 42 U.S.C. § 7401 et seq;

(xvii) The Fish and Wildlife Coordination Act, 16 U.S.C. § 661 et seq;

(xviii) The Coastal Zone Management Act, 33 U.S.C. § 1451 et seq;

(xix) The Rivers and Harbors Act of 1899, 33 U.S.C. § 401 et seq;

(xx) The Migratory Bird Treaty Act, 16 U.S.C. § 703 et seq;

(xxi) The Marine Mammal Protection Act, 16 U.S.C. § 1361 et seq;

(xxii) Section 4f of the Department of Transportation Act, 49 U.S.C. § 303;

(xxiii) The National Historic Preservation Act, 16 U.S.C. § 470;

(xxiv) 33 CFR §§ 114 and 125;

(xxv) The California Environmental Quality Act, § 21000 et seq. of the California Public Resources Code;

(xxvi) The California Clean Air Act of 1988, § 39000 et seq. of the California Health and Safety Code;

(xxvii) The California Porter-Cologne Water Quality Act, § 13000 et seq. of the California Water Code;

(xxviii) The California Coastal Act, § 30000 et seq. of the California Public Resource Code;

(xxix) The Integrated Waste Management Act, § 40000 et seq. of the California Public Resources Code;

(xxx) The California Safe Drinking Water and Toxic Enforcement Act, § 25249.5 et seq. of the California Health and Safety Code;

(xxxi) The California Hazardous Waste Control Act, Chapter 6.5 of Division 20 of the California Health and Safety Code, § 25100 et seq;

(xxxii) The California Hazardous Substance Account Act, the California Health and Safety Code, § 25330 et seq;

(xxxiii) Health and Safety Code § 25280 et seq. (Underground Storage of Hazardous Substances);

(xxxiv) The California Hazardous Waste Management Act, the California Health and Safety Code § 25170.1 et seq;

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(xxxv) Health and Safety Code § 25501 et seq. (Hazardous Materials Response Plans and Inventory);

(xxxvi) Fish and Game Code §§ 1600 et seq., 1360 et seq., 2050 et seq., and 2080 et seq;

(xxxvii) California Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act, all as amended;

(xxxviii) National Communities Conservation Plan under the NCCP Act of 2001;

(xxxix) Executive Order 119 Floodplain Management, Section 6 (b);

(xl) State of California Public Resources Code (Chapter 1.7, Sections 5097 and 30244; and

(xli) California Public Resources Code 4291.

Environmental Management Plan means the plan described in TP Section 6.3.2 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Environmental Management Program has the meaning given in TP Section 6.3.1.

Environmental Monitoring Reports has the meaning given in TP Section 6.3.2.

Environmental Notification Checklist has the meaning given in TP Section 6.3.3.

Environmental Review Process means environmental review and permitting processes to evaluate, avoid, minimize and mitigate Project effects, including as required under Governmental Approvals, NEPA/CEQA Approval, and all other Environmental Laws. These processes may be concurrent, sequential or overlapping.

Environmentally Sensitive Area means an area within or near the Site where access is prohibited or limited to protect environmental resources and as set forth in TP Section 6.4.1.

Error means:

(a) An error, omission, inconsistency, inaccuracy, deficiency or other defect; and

(b) Any aspect of the Work that (i) does not comply with the requirements of this Contract or (ii) is inconsistent or incompatible with its age, function, performance and use (in each case, as contemplated by this Contract) when properly maintained in accordance with Good Industry Practice, any manufacturer's requirements and the requirements described in this Contract.

Estimating Methodology Report has the meaning given in TP Section 8.3.

Event of Default has the meaning given in Section 24.2.1.

Existing Department ROW means the real property, owned by Department as of the Effective Date, which RCTC intends to make available for permanent improvements included in the Project which is shown graphically in the Project Schematic. Subject to TP Section 9, the limits of Existing

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Department ROW permitted for use for the Project will be all real property within 10 feet of the boundary line shown in CADD layer "Approximate Department ROW Limits" in TP Attachment 9-2.

Express Lane means any Lane that is an 15 Express Lane (or 15 EL), an 15/91 Express Lane (or 15/91 EL), or an ELPSE Express Lane (or ELPSE EL).

Extra Maintenance Work has the meaning given in TP Section 21.4.4.

Facilitator for partnering meetings has the meaning given in Exhibit 2-A (Contract Particulars).

FD Notice to Owner has the meaning given in TP Section 7.2.4.

federal-aid contract means a contract that is financed in part with federal funds.

Final Acceptance means the stage in the Work where the following requirements have been satisfied by DB Contractor:

(a) All requirements for Project Completion have been satisfied;

(b) DB Contractor has provided RCTC with all construction and Design Documents, original working drawings, shop drawings and final As-Built Documents of the Phase 2 Work, right-of-way record maps, surveys, test data and other Submittals required under this Contract; driven pile records, CIDH piling records, joint seal calculations, paint records, permanent vertical clearance, report of completion of structures, structure completion notification, As-Built Shop Drawings, Materials Release Summary, all forms required by Department Documents, and any other information required by the Contract;

(c) DB Contractor has submitted and received RCTC approval of all Submittals required by the Contract, including in TP Section 3.4.5.4;

(d) All special tools, equipment, furnishings and supplies purchased and/or used by DB Contractor as provided in this Contract have been delivered to RCTC and all replacement spare parts shall have been purchased and delivered to RCTC free and clear of Liens;

(e) The items on the Final Acceptance Punch List shall have been completed to the satisfaction of RCTC and Department, and all of DB Contractor's other obligations under this Contract (other than obligations which by their nature are required to be performed after Final Acceptance, including Plant Establishment Work) has been satisfied in full or waived by Notice from RCTC;

(f) RCTC's governing board formally accepts the Work as complete; and

(g) All other conditions to Final Acceptance in this Contract shall have been satisfied.

Final Acceptance Date means the date on which Final Acceptance occurs.

Final Acceptance Deadline means 90 days after the earlier of (i) the Project Completion Date and (ii) the Project Completion Deadline, as such deadline may be extended under this Contract.

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Final Design Documents means the complete final construction plans (including drawings, elevations, sections, details and diagrams) and specifications needed by DB Contractor to build the Project.

Final Design Package has the meaning given in TP Section 3.3.1.6.

Final Environmental Mitigation and Monitoring Reports has the meaning given in TP Section 6.3.2.

Final Payment means payment by RCTC of the final installment of the Contract Price.

fixed cost means labor, material, or equipment cost directly incurred by DB Contractor or any of its Subcontractors as a result of performing or supplying a particular bid item that remains constant regardless of the item's quantity.

Fixed General Conditions Costs means those portions of the Cost of the Work described in Section 2.3 of Exhibit 11 (Cost Schedule) to be included as Fixed General Conditions Costs for the Phase 2 Work, as provided in the Phase 2 Amendment.

Float means the amount of time that any given activity or logically connected sequence of activities shown on the Project Schedule may be delayed before it will affect DB Contractor's ability to achieve a Completion Milestone by its applicable Completion Deadline. "Float" generally means the difference between early completion times and late completion times for activities as shown on the Project Schedule and shall include any float contained within an activity as well as any period containing an artificial activity (that is, one which is not encompassed within the meaning of the word "Work").

Force Majeure Event means any of the events listed in clauses (a) through (h) below, subject to the exclusions listed in clauses (i) through (vii) below, which materially and adversely directly affects DB Contractor's obligations:

(a) Any earthquake, tornado, hurricane, Wildfire, lightning, one in a 100-year flood or other natural disaster that causes direct physical damage to the Project;

(b) Any pandemic or epidemic in the Riverside County, California area;

(c) Any blockade, rebellion, war, riot, act of sabotage or civil commotion that causes direct physical damage to the Project;

(d) Any major new State or federal Environmental Approval necessitated by the discovery at, near or on the Planned ROW Limits of:

(e) Issuance of a temporary restraining order or other form of injunction by a court that prohibits prosecution of a material portion of the Work;

(f) The suspension, termination, interruption, denial or failure to obtain, failure to maintain, or non-renewal of any RCTC-Provided Approval, except if such suspension, termination, interruption, denial or failure to obtain, failure to maintain or non-renewal arises from failure by any DB-Related Entity to locate or design the Project or carry out the Work in accordance with the RCTC-Provided Approvals or other Governmental Approval;

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(g) Delay in obtaining a Major Approval by the applicable Major Approval Deadline where the delay is not due to differences in the DB Contractor's final design; and

(h) The cumulative duration of Work stoppages under clause (e) of the definition of "RCTC-Caused Delay" exceeds 15 Business Days.

The term "Force Majeure Event" shall be limited to the matters listed above and specifically excludes from its definition the following matters which might otherwise be considered a force majeure event:

(i) Any physical destruction or damage, or delays to the Project which occur by action of the elements, including explosion, fire, lightning, wind, drought, rain, snow, or storm, except as specified in clause (a) above;

(ii) Except as provided in clause (c) above, malicious or other acts intended to cause loss or damage or other similar occurrence, including vandalism or theft;

(iii) Any strike, labor dispute, work slowdown, work stoppage, secondary boycott, walkout or other similar occurrence;

(iv) The suspension, termination, interruption, denial, failure to obtain, non-renewal or change in any requirements of any Governmental Approval, except for any such matter falling within the scope of clause (e), or (f), or (g)above;

(v) Any increased costs or delays related to Relocations or failure to obtain or maintain, as applicable, any approval, work or other action from a Utility Owner, except to the extent directly due to any of the matters listed in clauses (a) through (h) above;

(vi) The presence at, near or on the Site, of any Hazardous Materials, including substances disclosed in the Reference Documents as well as any substances contained in any structure required to be demolished in whole or in part or relocated as part of the Work; and

(vii) Any matters not caused by RCTC or beyond the control of RCTC or any other matter not listed in clauses (a) through (h) above.

Foundation Report has the meaning given in TP Section 13.3.3.1.

Funding Programs has the meaning given in Section 1.9.1.

General Purpose Lane means all mixed-flow Lanes (including ramps and direct connectors), auxiliary Lanes on State Route 91 or Interstate 15 (as applicable), excluding the Express Lanes.

General TMP means the plan described in TP Section 18.3.1, as updated in accordance with this Contract.

General Warranty means the general warranty set out in Section 16.1.1.

Generally Accepted Accounting Principles or **U.S. GAAP** means the set of accounting rules and accounting standards promulgated by the "Financial Accounting Standards Board" (FASB),

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as updated from time to time, and adopted by the accounting profession for the form and content of financial statements and recording of financial transactions.

Geometric Approval Drawings means the Geometric Approval Drawings (Sheets 1 to 26, prepared by HDR Engineering, with Department signatures dated March of 2024).

Geotechnical Execution Plan means the plan described in TP Section 13.3.1 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Geotechnical Information means:

(a) As-Built Foundation Report El Cerrito Road Undercrossing (Widen) (Bridge No. 56-0558) prepared by Skanska-Ames, a Joint-Venture and dated January 4, 2021; and

(b) As-Built Final Geotechnical Design Report Interstate 15 Express Lanes Design-Build Project Package 1 – (Corona South) prepared by Skanska-Ames, a Joint-Venture and dated As-Built: February 26, 2021.

GMP (Phase 2) means the guaranteed maximum price approved, agreed or determined (as applicable) as part of the Phase 2 Amendment and specified in the Contract Particulars (Phase 2), which is comprised of:

(a) The Target Cost of the Work (Phase 2), including the Cost of the Work Contingency for Phase 2 and any Allowance Values; plus

(b) The Fixed General Conditions Cost; plus

(c) DB Contractor's Markup (Phase 2); plus

(d) Premiums for Bonds and insurance for Phase 2,

as updated in accordance with this Contract.

Good Industry Practice means:

(a) In the case of all Work (excluding the Design Work), the exercise of the degree of skill, diligence, prudence, and foresight which would reasonably and ordinarily be expected from a skilled and experienced constructor, supplier or other contractor seeking in good faith to comply with its contractual obligations, complying with all applicable Governmental Rules and Governmental Approvals and engaged in the same type of undertaking under circumstances and conditions similar to those within the same geographic area as the Project; and

(b) In the case of Design Work, the exercise of the degree of skill, diligence, prudence, and foresight which would reasonably and ordinarily be expected from a professional designer or engineer seeking in good faith to comply with its contractual obligations, complying with all applicable Governmental Rules and Governmental Approvals and engaged in the same type of undertaking under circumstances and conditions similar to those within the same geographic area as the Project.

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Governmental Approval means any permit, license, consent, concession, grant, franchise, authorization, waiver, certification, exemption, filing, lease, registration or ruling, variance or other approval, guidance, protocol, mitigation agreement, agreement or memoranda of agreement/understanding, and any revision, modification, amendment, supplement, renewal or extension of any of the foregoing, required by or with any Governmental Entity in order to perform the Work or any Relocation work being performed by a Utility Owner, but excluding (a) any such approvals relating to the work to be performed by other contractors as specifically described in this Contract, and (b) any such approvals required by or with a Governmental Entity in its capacity as a Utility Owner. Governmental Approvals include Environmental Approvals, RCTC-Provided Approvals and New Approvals.

Governmental Entity means any federal, state, local or foreign government and any political subdivision or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or entity other than RCTC.

Governmental Rule means any statute, law, code, regulation, ordinance, rule, judgment, common law, writ, injunction, order, decree, permit, concession, grant, franchise, license, agreement, directive, guideline, policy requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Entity, which is applicable to the Work, the Project, the Site or any Relocation work being performed by a Utility Owner, whether now or hereafter in effect. The term "Governmental Rule" includes any Environmental Law and excludes "Governmental Approvals."

GP Lane Closure Charges mean the charges owing from DB Contractor to RCTC for certain Lane Closures of General Purpose Lanes, in Exhibit 6 (Lane Closures).

grading plane means the basement material surface on which the lowest layer of subbase, base, pavement, surfacing, or other specified layer is placed.

Guaranteed Obligations has the meaning given in the Guaranty.

Guarantor means each Person providing a Guaranty as described in Section 13.5.

Guaranty means each guaranty executed by a Guarantor guaranteeing some or all of the obligations of DB Contractor under this Contract.

Hazardous Materials means any element, chemical, compound, mixture, substance, product, waste or other material, whether solid, liquid or gaseous, which is or becomes defined, listed, classified, regulated, or addressed in any way under any Environmental Laws, or any other substances or conditions (including mold and other mycotoxins, fungi or fecal matter) which may create any unsafe or hazardous condition or pose any threat or harm to the environment or human health and safety. "Hazardous Materials" includes the following:

(a) Any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any Environmental Law or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court;

(b) Hazardous Waste, hazardous materials, hazardous substances, hazardous constituents, and toxic substances, ignitable, corrosive and reactive substances or related materials, whether solid, liquid or gas, including substances defined as or included in the definition of "hazardous substance," "hazardous waste,"

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"hazardous material," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "radioactive materials," "bio-hazardous waste," "pollutant," "toxic pollutant," "contaminant," "restricted hazardous waste," "infectious waste," "toxic substance," "toxic waste," "toxic material," or any other term or expression intended to define, list or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment (including harmful properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "TCLP toxicity" or "EP toxicity" or words of similar import under any applicable Environmental Law);

(c) Any petroleum or crude oil and any fraction thereof, including any refined petroleum product or any additive thereto or fraction thereof, and any waste oil or waste petroleum byproduct or fraction thereof or additive thereto, but excluding petroleum and petroleum products contained within regularly operated motor vehicles;

(d) Any solvent, solvent waste, including any refined solvent product, and any waste solvent or waste solvent byproduct, including any additive, byproduct or fraction of any of the foregoing;

(e) Any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources;

(f) Any flammable substances or explosives, including unexploded ordnance;

(g) Any radioactive materials;

(h) Any asbestos or asbestos-containing materials in structures and or other improvements on or in the Site (other than mineral asbestos naturally occurring in the ground);

(i) Silica;

(j) Any lead, cadmium, or lead-based paint or any other heavy metal-based paint or material, or any metal listed in or regulated by the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.);

(k) Any radon or radon gas;

(l) Any methane gas or similar or regulated gaseous materials;

(m) Any urea formaldehyde foam insulation;

(n) Electrical equipment and components which contain any oil or dielectric fluid containing polychlorinated biphenyls;

(o) Pesticides, herbicides or fungicides;

(p) Any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Entity or which may or could pose a hazard to the health and safety of any Persons in the vicinity of the Project or to the environment; and

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(q) Soil, surface water or groundwater containing any of the Hazardous Materials as defined above.

Hazardous Materials and Waste Management Plan means the plan described in TP Section 6.4.4 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Hazardous Materials Management means sampling, characterization, stockpiling, storage, backfilling in place, asphalt batching, recycling, treatment, clean-up, remediation, transportation and/or off-Site disposal of Hazardous Materials, whichever is the most cost-effective approach authorized under applicable Governmental Rules.

Hazardous Substance Removal Certification has the meaning given in Business and Professions Code section 7085.7.

Hazardous Waste means material that is hazardous waste as defined in section 25117 of the California Health and Safety Code in accordance with section 25141 of the California Health and Safety Code.

Health and Safety Plan means the plan described in TP Section 22.2.3 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

highway means the whole right-of-way or area reserved for use in constructing the roadway and its appurtenances.

HM-1 means Hazardous Material that may require removal and disposal in accordance with Governmental Rules, whether disturbed by the Project or not.

HM-2 means Hazardous Material that may require removal and disposal in accordance with Governmental Rules only if disturbed by the Project.

holiday means any holiday shown in the following table:

Holidays

Holiday	Date observed
Every Sunday	Every Sunday
New Year's Day	January 1st
Birthday of Martin Luther King, Jr.	3rd Monday in January
Lincoln's Birthday	February 12th
Washington's Birthday	3rd Monday in February
Cesar Chavez Day	March 31st
Memorial Day	Last Monday in May
Juneteenth	June 19th

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Independence Day	July 4th
Labor Day	1st Monday in September
Columbus Day	2nd Monday in October
Veterans Day	November 11th
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving Day	Day after Thanksgiving Day
Christmas Day	December 25th

If January 1st, February 12th, March 31st, June 19th, July 4th, November 11th, or December 25th falls on a Sunday, the Monday following is a holiday. If November 11th falls on a Saturday, the preceding Friday is a holiday.

Improved Landscape Areas has the meaning given in TP Section 20.3.2.1.

Incident Management has the meaning given in TP Section 18.4.1.1.

Incidental Utility Work means all of the following work necessary for construction of the Project, including any necessary coordination with Utility Owners and property owners or holders of real property rights, providing design, performing construction, and obtaining and complying with all required Governmental Approvals:

(a) Protection in Place of Utilities;

(b) All work necessary to abandon in place any utility in accordance with proper procedures (e.g., flushing, capping, slurry backfill, etc.);

(c) Traffic control for Relocation work, to the extent such responsibility is assigned to DB Contractor in accordance with TP Section 7;

(d) Resurfacing and re-striping of streets; reconstruction of curbs, gutters and sidewalks; reinstallation of signage; and reinstallation or replacement of traffic signals; to the extent such responsibility is assigned to DB Contractor in accordance with TP Section 7;

(e) Adjustment of utility appurtenances (e.g., manholes, valve boxes, and vaults) for line and grade upon completion of roadway work;

(f) Potholing, electronic detection, surveying and any other methods used to determine Utility locations and other material information concerning Utilities;

(g) Relocation or Protection in Place of Service Lines; and

(h) Temporary Relocations.

Indemnified Claim has the meaning given in Section 27.1.1.

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Indemnified Parties means RCTC, the members of the Commission, the RCTC Representative, Department, City of Corona, County of Riverside, Orange County Transportation Authority and each of their respective officers, directors, board members, employees, consultants, representatives and agents, or each of them as the context requires.

Independent Cost Estimator or Estimate (ICE) (as the context requires) means a Person or group of Persons within the PCM (including a subconsultant of the PCM), or such other Person as may be designated by RCTC at any time as its Independent Cost Estimator as further described in TP Section 8.4.

Instructions to Proposers means the RFQ Document entitled "Instructions to Proposers" issued by RCTC on February 24, 2025, as amended.

Instrumentation and Monitoring Program Plan means the plan described in TP Section 13.3.4.1 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Intellectual Property means all current and future legal and/or equitable rights and interests, anywhere in the world, in know-how, patents (including applications), copyrights (including moral rights), trademarks (registered and unregistered), service marks, trade secrets (as defined by the Defend Trade Secrets Act § 2(b)(1) (18 USC § 1839(3)), and in accordance with US state and federal laws), designs (registered and unregistered), utility models, circuit layouts, mask works, business and domain names, inventions, solutions embodied in technology, and other intellectual activity, and applications of or for any of the foregoing. Without limiting the foregoing, Intellectual Property includes Software and RCTC Data. For the avoidance of doubt, Intellectual Property is distinguished from the physical, electronic, and/or mechanical embodiments of such Intellectual Property.

Invasive Species Management Plan means the plan referred to in TP Section 6.4.14, as updated and approved by RCTC in accordance with this Contract.

Invoice means an invoice in the form included in Exhibit 8-A including all documents and information required by Section 18.10(a).

Invoice Certificate means the certificate to be provided with each Invoice in the form included in Exhibit 8-B.

Job Hazard Analysis has the meaning given in TP Section 22.2.4.

Job Vehicle Leasing Plan: means the plan described in TP Section 2.7.4 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Joint Resolution Team has the meaning given in TP Section 3.2.2.5.

Key Person or **Key Personnel** means positions identified in TP Section 2.2.1 or positions otherwise advised by RCTC to DB Contractor from time to time.

Known or Suspected Hazardous Materials means Hazardous Materials that are known or reasonably suspected to exist as of the Setting Date from information or analysis contained in or referenced in the Reference Documents, and/or Hazardous Materials that would have become known to DB Contractor as follows:

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(a) In the case of Work performed prior to the Phase 2 Approval Deadline, by undertaking Reasonable Investigation prior to the SOQ Step 2 Submittal; Date; and

(b) In the case of Work performed after the Phase 2 Approval Deadline, by performing a Phase 1 Site Investigation as required under the Scope of Work (Phase 1) or such other investigations required in accordance with Good Industry Practice prior to the date of submitting the Phase 2 Proposal.

Known or Suspected Hazardous Materials include Hazardous Materials arising in or from any of the sites identified in the CEQA Approval, the NEPA Approval and TP Section 6, including TP Section 6.4.4, as having or potentially having Hazardous Materials.

Labor Compliance Program means a Third-Party Labor Compliance Program adopted by RCTC and approved by DIR.

Labor Surcharge and Equipment Rental Rates means the Department publication that lists labor surcharge and equipment rental rates.

landscaping means the practice of a landscaping contractor under 16 CA Code of Regs. § 832.27.

Landscaping and Irrigation Plans means the plan described in TP Section 20.3.1 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Lane means any traffic or express lane including main lanes, ramps, direct connectors, frontage roads and cross roads.

Lane Closure means a Permitted Lane Closure or an Unpermitted Lane Closure, or both, as the context requires.

Lane Closure Charges mean GP Lane Closure Charges, or 15 EL Closure Charges, as the context requires.

Lane Requirement Chart means Department approved charts showing the locations and periods allowed for General Purpose lane closures.

Lane Transaction means a uniquely identified record of activity, including transponder reads, license plate images, and other event data created as a result of a vehicle traveling through a Read Point.

Lead Engineering Firm means the single entity or joint venture identified in Exhibit 2-A (Contract Particulars) that is primarily responsible for the design and engineering of the Project.

Lien means any pledge, lien, hypothecation, security interest, mortgage, deed of trust or other charge, encumbrance or restriction on title or property interest of any kind, or any other type of preferential arrangement (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature of a security instrument and the filing of or agreement to file any financing statement under the Uniform Commercial Code of any jurisdiction).

Line of Sight Study has the meaning given in TP Section 19.3.3.

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Liquidated Damages has the meaning given in Section 25.5.1.

Liquidated Damages Events means each of the events described in Sections 25.1, 25.3 and 25.4 or all of them as the context requires.

Listed Subcontractors means each of the Major Subcontractors and the other Subcontractors identified in Exhibit 2 G (Listed Subcontractors / Subcontractor Identification Form).

Local Agencies means the County of Riverside, the City of Corona, City of Lake Elsinore, community of Temescal Valley and any other state or local agency owning property within the Planned ROW Limits or with jurisdiction over any such property, or that otherwise has interfaces with the Project, other than RCTC and Department. For purposes of this definition, the State Water Resources Control Board and California Department of Parks and Recreation shall be considered to be Local Agencies.

Losses includes any loss, damage (including personal injury, property damage and natural resource damages), injury, expense, compensation, debt, obligation, charge, liability, cost, expense (including attorneys' fees, accountants' fees expert witness fees and expenses, deductibles or increased premiums (including those incurred in connection with the enforcement of any provision of this Contract)), fee, charge, demand, investigation, proceeding, action, suit, claim, judgment, penalty, fine or Third Party Claims, actual, prospective or contingent and whether or not currently ascertainable. Losses include injury to or death of persons, damage or loss of property, and harm or damage to natural resources.

Lump Sum (Phase 1) means the amount set out in Exhibit 2 (Contract Particulars (Phase 1)) to perform the Phase 1 Work, subject to adjustment only in accordance with the express terms of this Contract.

Lump Sum Scope of Work has the meaning given in Section 18.5.

Main or **Trunkline Utility** means an underground Utility, which is not a Service Line, and which relative to the particular system of which it is a part, (a) is a larger line serving as a main line to connecting tributary lines and (b) serves a larger area, all as determined by RCTC. In determining whether a facility should be considered a Main or Trunkline Utility, RCTC may refer to definitions in the relevant manual or code, if any, of the Utility Owner.

Maintenance During Construction has the meaning given in TP Section 2.1.

Maintenance Work has the meaning given in TP Section 21.4.3.

Maintenance Work Plan means the plan to be provided by DB Contractor and approved by RCTC and Department as described in TP Section 21.2.3, as updated in accordance with this Contract.

Maintenance Work Plan Map means the map depicting areas of DB Contractor responsibility and Department responsibility, as agreed upon map by the Department, RCTC and DB Contractor.

Major Approvals Baseline Conditions has the meaning given in TP Section 6.3.5.1.

Major Approval Deadline means the end of the expected time necessary to secure each of the Major Approvals in TP Section 6.3.5.1.

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Major Approval Delay means a delay to the Work during Phase 2 resulting from the failure to obtain a Major Approval by the applicable Major Approval Deadline where that delay is not due to DB Contractor's design, any act or omission by a DB Contractor-Related Entity or any DB Contractor Fault (including any failure to provide RCTC with an updated Project Schedule or to perform the Work in accordance with the Project Schedule).

Major Approvals means the approvals specified in the Contract Particulars (Phase 2).

Major Subcontract means any Subcontract or combination of Subcontracts with a single Subcontractor for design or construction of the Project or for special fabrication and installation of a portion of the Work with a price in excess of $10 million.

Major Subcontractor means:

(a) The Lead Engineering Firm (if not the DB Contractor);

(b) The Structural Design Firm (if not the DB Contractor); and

(c) Any other Subcontractor that is a party to a Major Subcontract.

material means any product or substance specified for use in the construction of a project.

Materials Report has the meaning given in TP Section 11.3.7.

Maximum DB Markup means the Maximum DB Markup (Phase 1) and the Maximum DB Markup (Phase 2), or either as the context requires.

Maximum DB Markup (Phase 1) means the markup included the Contract Particulars (Phase 1), which represents the maximum overhead and profit that can be charged on the Cost of the Work when determining the Lump Sum Price (Phase 1) or compensation for any Compensable Event or Time and Materials Work.

Maximum DB Markup (Phase 2) means the markup included the Contract Particulars (Phase 2), which represents the maximum overhead and profit that can be charged on the Cost of the Work when determining the GMP (Phase 2) or compensation for any Compensable Event or Time and Materials Work.

median means, in the context of roadbuilding, the portion of a divided highway separating the traveled ways including inside shoulders.

Milestone means the Phase 1 Milestones, Phase 2 Milestones or all of them (as applicable).

Milestone Deadline means each Phase 1 Milestone Deadline, each Phase 2 Milestone Deadline, and each Completion Deadline for the Work or a Package, or all of them (as applicable).

mobilization means the preparatory work that must be performed, or costs incurred before starting work on the various items on the job site (Public Contract Code section 10104).

Modified Standard Specifications means the modifications to Sections 1 through 9 of the Standard Specifications published by the Department and included as Exhibit 5.

modify means to add to or subtract from an appurtenant part.

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Monthly Progress Report has the meaning given in TP Section 2.5.3.

Monthly Progress Schedule has the meaning given in TP Section 4.3.4.

narrative report means, in the context of the Project Schedule, a document submitted with each schedule that discusses topics related to project progress and scheduling.

near-Critical Path means, in the context of the Project Schedule, the chain of activities with total float exceeding that of the critical path but having not more than 10 working days of total float.

NEPA Approval means the Environmental Approvals for NEPA, which are developed in connection with the Environmental Review Process, and which are adopted or certified by the Commission.

NEPA/CEQA Approval means the NEPA Approval and the CEQA Approval, or either as applicable.

Nesting Bird Management Plan means the plan described in TP Section 6.4.10.3 to be prepared and updated by DB Contractor, as approved by RCTC in accordance with this Contract.

New Approval means any of the following: (a) a new Governmental Approval of the same type as the RCTC-Provided Approvals; and (b) a revision, modification, or amendment to one or more of the RCTC-Provided Approvals.

New Utilities has the meaning given in Section 10.3.1(f).

Nonconformance means any aspect of the Work:

(a) That does not comply with the requirements of this Contract; or

(b) Is not consistent, or is incompatible with, its age, function, performance, and use when properly maintained in accordance with Good Industry Practice, any manufacturer's requirements and the requirements of this Contract,

excluding any aspect of the Work that constitutes a Deviation that has been approved by RCTC in accordance with the Contract.

Non-Dig Alert Mapped Utility(ies) means Utilities that are not documented by or recorded with USA Dig Alert of Southern California.

Non-Standard Special Provision (NSSP) has the meaning given in TP Section 1.4 and TP Section 10.3.3.

Notice has the meaning given in Section 30.10.1.

Notice of Design Change means a Notice issued in accordance with TP Section 3.4.3.

Notice of Termination for Convenience means a Notice issued by RCTC to DB Contractor terminating all or part of the Work of DB Contractor for convenience as described in Section 23.1.1.

Notice to Owner means a Notice issued by RCTC to a Utility Owner, instructing the Utility Owner to commence (a) preliminary planning of a Relocation, (b) final design of a Relocation, or (c)

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construction of a Relocation. Notices to Owner include FD Notices to Owner and Construction Notices to Owner.

NTP Phase 1 means a Notice issued by RCTC to DB Contractor authorizing DB Contractor to proceed with the Phase 1 Work.

NTP Phase 2 means a Notice issued by RCTC to DB Contractor authorizing DB Contractor to proceed with the Phase 2 Work.

Oak Tree Management Plan refers to the plan described in TP Section 6.4.10.6 as updated and approved by RCTC in accordance with this Contract.

Oak Tree Mitigation Plan refers to the plan described in TP Section 6.4.10.6, as updated and approved by RCTC in accordance with this Contract.

obliterate means to place an earth cover over or root, plow, pulverize, or scarify.

Open Book Basis means providing RCTC all underlying assumptions, price quotes and data associated with pricing or compensation (whether of DB Contractor or RCTC) or adjustments thereto, including assumptions as to costs of the Work, schedule, composition of equipment spreads, equipment rates, labor rates, productivity, estimating factors, design and productivity allowance, contingency and indirect costs, risk pricing, discount rates, interest rates, and other items reasonably required by RCTC to satisfy itself as to the reasonableness of the amount.

Opinion of Probable Cost has the meaning given in TP Section 8.4**.**

Other RCTC Contractor means any contractor or consultant, except any DB-Related Entity, that RCTC contracts to perform other or additional work on or near the Site or in connection with the Project including TSP.

Package means a package of the Work created under Section 7.8.

Paleontological Mitigation Plan means the plan described in TP Section 6.4.3.1 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

participant has the meaning given in Attachment 2 to Exhibit 13.

Party means DB Contractor or RCTC, as the context may require, and "Parties" means DB Contractor and RCTC, collectively.

Pavement means the uppermost layer of material, the base and sub base layer (as the context requires) placed on a traveled way or shoulder.

Payment Bond means the Phase 1 Payment Bond, Phase 2 Payment Bond, or both of them as the context requires.

Performance Bond means the Phase 1 Performance Bond, Phase 2 Performance Bond, or both of them as the context requires.

Permit Submittal Package has the meaning given in TP Section 6.3.5.1.

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Permitted 15 EL Closure means a Permitted Lane Closure of a 15 Express Lane during the time frames specified for the applicable segment and direction in Exhibit 6 (Lane Closures) – Chart 6-2 or Exhibit 6 (Lane Closures) – Chart 6-3, as the context requires.

Permitted GP Lane Closure means a Permitted Lane Closure of a General Purpose Lane at the locations and during the time frames specified for the applicable segment and direction in the Lane Requirements Charts.

Permitted Lane Closure means such cases where DB Contactor (a) fully or partially closes a General Purpose Lane or Express Lane to facilitate construction of the Project, or (b) fully or partially blocks ingress to or egress from a General Purpose Lane or Express Lane to facilitate construction of the Project, and where, in the case of either clause (a) or (b), (i) RCTC approves the closure or blockage in advance and in accordance with TP Sections 18.3.3.1, 18.3.3.2, 18.3.3.3, and 18.3.3.4, and (ii) DB Contractor otherwise complies with the provisions of the Contract applicable to Lane Closures.

Person means any individual, corporation, joint venture, company, voluntary association, partnership, trust, unincorporated organization or Governmental Entity.

Phase means Phase 1, Phase 2, or both of them (as applicable).

Phase 1 means the period (a) beginning on the issuance of NTP Phase 1 and (b) ending on NTP 2 or the date of termination under Section 7.7 (as applicable), during which the Phase 1 Work is performed.

Phase 1 Baseline Schedule means the schedule for the Phase 1 Work prepared and maintained by DB Contractor in accordance with TP Section 4.3.1, which is based upon the Preliminary Phase 1 Baseline Schedule and updated in accordance with this Agreement.

Phase 1 Bonds has the meaning given in Section 13.1.1.

Phase 1 Design Documentation means:

(a) Any Design Documents required to be developed in the Scope of Work (Phase 1), including those listed in Exhibit 9-C;

(b) Any other Design Documents that the RCTC Representative determines are necessary:

(i) For DB Contractor to establish the Scope of Work (Phase 2) and to prepare the Phase 2Proposal; or

(ii) For Phase 2 Approval to be achieved; and

(c) Other Design Documents that are required by any Change Order.

Phase 1 Milestone means each milestone specified in the Contract Particulars (Phase 1).

Phase 1 Milestone Deadline means each date specified in the Contract Particulars (Phase 1) for a Phase 1 Milestone, as updated in accordance with this Contract.

Phase 1 Payment Bond has the meaning given in Section 13.1.1(b).

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Phase 1 Performance Bond has the meaning given in Section 13.1.1(a).

Phase 1 Site Investigation means DB Contractor's investigation of the Site, Reference Documents, and As-Built Documents in accordance with the Technical Provisions (Phase 1), including TP Section 6.2.3.

Phase 1 Submittals means the Phase 1 Submittals listed included in TP Attachment 1-1.

Phase 1 Work means that part of the Work required to be performed during Phase 1 in accordance with this Contract, including any tasks required by any direction of the RCTC Representative given or purported to be given under a provision of this Contract, including any Change Order.

Phase 2 means, with regards to any portion of Phase 2 Work, the period (a) commencing on the issuance of an NTP Phase 2 for such portion of Phase 2 Work, and (b) ending on the earlier of Final Acceptance or the Early Termination Date, during which the Phase 2 Work is performed.

Phase 2 Amendment means the document, including the Contract Particulars (Phase 2), Technical Provisions (Phase 2), Final BODR / Phase 1 Drawings and associated comment resolution matrices, Exhibit 12 (to the extent applicable to Phase 2), RCTC-approved Phase 2 Proposal, Phase 2 Baseline Schedule and all other necessary amendments to this Contract required for Phase 2.

Phase 2 Approval means RCTC has issued Notice to DB Contractor that all of the following conditions have been satisfied, or any unsatisfied conditions have been waived by RCTC, in its sole discretion, in writing:

(a) DB Contractor has finalized, and RCTC has approved, the Phase 1 Design Documentation (including Administrative Project Plans) required to be completed as condition of Phase 2 Approval in accordance with this Contract;

(b) The Phase 2 Proposal have been approved by the RCTC Representative;

(c) The Project Schedule has been approved by the RCTC Representative;

(d) All Milestones for Phase 1 have been achieved;

(e) The Phase 2 Amendment has been prepared and agreed in accordance with Section 7.5 and executed by DB Contractor;

(f) RCTC has closed all financing or obtained all funding for the Phase 2 Work;

(g) All Governmental Approvals required for the Phase 2 Work have been obtained to the extent applicable before the date of Phase 2 Approval;

(h) Approval from the Commission for the execution of the Phase 2 Amendment and for the Phase 2 Work has been obtained; and

(i) DB Contractor has otherwise complied with all of its obligations under this Contract, to the extent applicable before the date of Phase 2 Approval and NTP Phase 2.

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Phase 2 Approval Deadline means the date specified for Phase 2 Approval in the Contract Particulars (Phase 1), as amended in accordance with this Contract.

Phase 2 Baseline Schedule means the schedule for the Phase 2 Work prepared and maintained by DB Contractor in accordance with the Phase 2 Scope of Work and attached as Exhibit 9-E, as updated in accordance with this Contract.

Phase 2 Bonds has the meaning given in Section 13.2.1.

Phase 2 Milestone means each milestone specified in the Contract Particular (Phase 2). If any Segment is created in accordance with Section 7.7, Completion of that Package and any other milestones agreed by the Parties shall each be deemed a Milestone.

Phase 2 Milestone Deadline means:

(a) Each date specified in the Contract Particulars (Phase 2) for a Phase 2 Milestone; and

(b) Each date or period of time approved by RCTC and specified in the Contract Particulars for a Segment,

as updated in accordance with this Contract.

Phase 2 Payment Bond has the meaning given in Section 13.2.1(b).

Phase 2 Performance Bond has the meaning given in Section 13.2.1(a).

Phase 2 Proposal means the DB Contractor's proposal with respect to the Phase 2 Work, including the items listed in TP Section 1.1.6.

Phase 2 Proposal Date means the date specified in the Contract Particulars (Phase 1).

Phase 2 Work means that part of the Work required to be performed during Phase 2 in accordance with this Contract, including any tasks required by any direction of the RCTC Representative given or purported to be given under a provision of this Contract, including any Change Order.

Planned ROW Limits means (a) Existing Department ROW and (b) any other real property that RCTC acquires in connection with or that otherwise is amended as a result of an RCTC-Directed Change

Plans means standard plans, Revised Standard Plans, and project plans as follows:

(a) **standard plans** means drawings standard to Department construction projects.

(b) **Revised Standard Plans** means new or revised standard plans.

(c) **project plans** means drawings specific to the project, including authorized shop drawings and working drawings.

Plant Establishment Period means the three-year period described in TP Section 20.4.5.2.

Plant Establishment Work means the work described in TP Section 20.4.5.

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Preliminary Phase 1 Baseline Schedule means the preliminary schedule for the first 120 days after the Effective Date or until selection of the preferred build alternative as described in TP Section 4.3.1(a), which is based upon the DB Contractor's Proposal Schedule, and any refinements as approved by RCTC prior to the Effective Date and included in Exhibit 9-E, as updated in accordance with this Contract.

Preliminary Design Package has the meaning given in TP Section 3.3.1.5.

Preliminary Foundation Report has the meaning given in TP Section 13.3.3.1.

Progress Meeting means the regular meetings described in Section 5.1.

Project has the meaning given in the Recitals to this Contract.

Project Aesthetics and Landscape Memorandum has the meaning given in TP Section 20.3.1.1.

Project and Construction Manager or **PCM** means Parsons Transportation Group, or such other Person as may be designated by RCTC at any time as its Project and Construction Manager.

Project Assets means:

(a) During Phase 1, the Site and the Phase 1 Work; and

(b) During Phase 2, the Site, the Phase 1 Work, and the Phase 2 Work.

Project Completion means the stage of the Work when DB Contractor has satisfied the following requirements:

(a) All requirements for Substantial Completion have been satisfied;

(b) All design and construction Work is complete, including correction of all Nonconformances, completion of Punch List items and Department Safety Review Committee review items;

(c) DB Contractor has provided RCTC an updated certification from DB Contractor's Construction Quality Validation Manager, in form and substance satisfactory to RCTC, certifying conformity of the construction to the Design Documents in accordance with TP Section 19.2.2 and TP Attachment 19-2;

(d) All conditions to acceptance by Local Agencies and Utility Owners have been satisfied;

(e) All of DB Contractor's and Subcontractors' personnel, supplies, equipment, waste materials, rubbish and temporary facilities has been removed from the Site, DB Contractor has rebuilt, repaired or replaced all damage or injury arising from such removal to the satisfaction of RCTC, and the Site shall be in good working order and condition; and

(f) All other conditions to Project Completion in this Contract have been satisfied.

Project Completion Date means the date on which Project Completion occurs.

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Project Completion Deadline means 90 days after the Substantial Completion Date, as such deadline may be extended under this Contract.

Project Goals means:

(a) Improving existing, opening year, and future mobility and traffic operation within the Project corridor;

(b) Expanding travel choices within the corridor by introducing tolled Express Lanes;

(c) Minimizing traffic diversions to local roadways due to freeway congestion;

(d) Expanding the tolled Express Lane network in Riverside County and the southern California region;

(e) Eliminating or minimizing the impact to the operation of the existing 15 Express Lanes, including eliminating or minimizing:

(i) Lane closures on the existing 15 Express Lanes; and

(ii) Impact to traffic on the existing 15 Express Lanes during construction.

(f) Managing traffic demand during and after construction.

Project IP means Intellectual Property that is authored, created, invented or reduced to practice under or for the purposes of the Contract or the Project, whether or not such Intellectual Property is incorporated into the Project but excluding any adaptation, continuation or derivative work that constitutes DB Contractor IP.

Project Management Plan means the Submittal describing Quality Validation and Quality Control activities necessary to manage the development, design and construction of the Project. The Project Management Plan includes each of the RCTC-approved component parts, plans and documentation described in TP Section 2.1 and TP Attachment 2-1 and is to be prepared and updated by DB Contractor, as approved by RCTC in accordance with this Contract.

Project Manager has the meaning given in TP Section 2.2.1.1.

Project ROW means the property within the Planned ROW Limits, and the Additional Properties, excluding (a) any Utility Easements and (b) any portion of the Planned ROW Limits eliminated from the Project by a Change Order. The boundaries of the Project ROW will be as shown in the ROW Requirement Maps.

Project Schedule means the most current version of the Phase 1 Baseline Schedule or Phase 2 Baseline Schedule approved by RCTC, as applicable under Section 8.2.1, in accordance with this Contract as described in TP Section 4 and applicable to the Work as set out in Sections 8.2.1(a) through 8.2.1(e).

Progress Schedule Invoice Meeting means the meeting described in Section 18.10.

Project Scheduler has the meaning given in TP Section 2.2.2.2.

Project Schematics means the documents in TP Section 1.1.1 listed in Table 1-1 included in the Reference Documents.

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Project Standards means those standards discussed in TP Section 1.3 and listed in TP Attachment 1-3, together with any additional standards and specifications applicable to the Work and established by express reference contained in one of the documents listed in TP Attachment 1-3, or this Contract.

Proposed Disposition means, for each Utility, the determination (which may be preliminary or final, as the context may require) as to whether such facility will require any of the following: (a) removal, (b) abandonment, (c) Protection in Place, (d) Relocation, (e) is a proposed new Utility, or (f) will not be impacted by the Project in any significant way (i.e., "no impact").

Proposer Questionnaire means Form C to the ITP.

Proprietary Intellectual Property means Intellectual Property created, used, applied or reduced to practice in connection with the Project or the Work that derives commercial value from its protection as a trade secret under applicable Governmental Rules or from its protection under patent law.

Protection in Place or **Protect in Place** means any activity undertaken to avoid damaging a Utility which does not involve removing or relocating that Utility, including staking the location of a Utility, avoidance of a Utility's location by construction equipment, installing steel plating or concrete slabs, encasement in concrete, temporarily de-energizing power lines, and installing physical barriers. For example, temporarily lifting power lines without cutting them would be considered Protection in Place; whereas temporarily moving power lines to another location after cutting them would be considered a Temporary Relocation. The term Protection in Place includes both temporary measures and permanent installations meeting the foregoing definition.

Provisional Risks has the meaning given in TP Section 8.5.2.2.

Public Outreach Coordinator has the meaning given in TP Section 2.9.1.

Public Outreach Plan means the plan described in TP Section 2.4.3 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Public Records Act has the meaning given in Section 29.3.1.

Punch List means the list of Work that remains to be completed (a) as a condition to achieving completion of each Toll Package Turnover, or (b), after achievement of Substantial Completion or as a condition of Project Completion or Final Acceptance, as applicable, and shall be limited to minor incidental items of Work necessary to correct imperfections which by virtue of not being completed, will not, individually or collectively, have any adverse effect on the safety, use or operability of the Project. Work required to comply with all applicable Governmental Rules or Governmental Approvals is not "Punch List Work."

Qualified Professional means one who possesses a recognized degree, certificate or professional standing, or who by extensive knowledge training and experience has successfully demonstrated their ability to solve or resolve problems related to the subject matter.

quality characteristic means a characteristic of a material that is measured to determine conformance with a given requirement.

Quality Control means those functions that provide a means to control and measure characteristics, as related to established system design requirements. It shall also mean the

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techniques and activities that sustain the quality of an item to satisfy given needs; also, the use of such techniques and activities. Quality Control is a production tool.

Quality Management Plan means, collectively, the Design Quality Management Plan and the Construction Quality Management Plan included in the Project Management Plan and more fully described in TP Section 5 to be prepared and updated by DB Contractor, as approved by RCTC in accordance with this Contract.

Quality Manager has the meaning given in TP Section 2.2.1.9.

Quality Program has the meaning given in TP Section 5.

Quality Records has the meaning given in TP Sections 5.3.2.2.11 and 5.3.3.2.6.

Quality Validation means all those planned and systematic actions necessary to provide adequate confidence that an item of Work is in conformance with established requirements and will satisfy given needs. The activity of providing the evidence needed to establish confidence that quality functions are being performed adequately. Quality Validation is a management tool.

RCTC has the meaning given in the Preamble to this Contract.

RCTC-Caused Delay means each of the following events:

(a) RCTC-Directed Changes;

(b) Failure or inability of RCTC to make RCTC-Provided Property available as provided in Section 10.1.1;

(c) Failure or inability of RCTC or Department to provide responses to proposed schedules, plans, Design Documents, Construction Documents, and other Submittals and matters for which affirmative response by RCTC or Departments is required, within the time periods indicated in this Contract; provided, however, that the foregoing shall apply only if the standard under the Contract for RCTC or Department approval is reasonableness;

(d) Any order of RCTC to suspend for convenience exceeding 48 hours per order or more than a total of 96 hours for all such orders to suspend for convenience in accordance with Section 22.1.1;

(e) Work stoppages under Section 21.15(e) following a discovery of Hazardous Materials (i) only to the extent the delay is caused by RCTC not permitting DB Contractor to resume Work in the affected area within three Business Days of the Work stoppage and (ii) such Work stoppage is not attributable to an RCTC-Caused Delay arising under Section 21.15(g); and

(f) The failure or inability of Department to:

(i) Provide design and construction oversight, materials inspection and material and engineering testing services within the time period specified in this Contract;

(ii) Conduct investigation and perform Hazardous Materials Management of HM-1 discovered within the Existing Department ROW or delegate such

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responsibility to RCTC, within the time periods specified in Section 10.9.3; and

(iii) Provide Notice to RCTC of its intent to delegate the Hazardous Materials Management by the expiration of the investigation period specified in Section 10.9.3(b) where DB Contractor is directed by RCTC to undertake the Hazardous Materials Management within the time periods specified in Section 10.9.3.

RCTC Data means any information, data, or document, whether or not protectable Intellectual Property, which is created, developed, or collected by RCTC related to transportation operations, traffic management, tolling systems, infrastructure planning and Personal Information of RCTC employees, vendors and consumers. For the avoidance of doubt, RCTC Data shall include, but not be limited to, (a) all "nonpublic information," as defined by the Gramm-Leach-Bliley Act (15 USC § 6801 et seq.), and (b) personal information as defined by California Civil Code §§ 1798.29, 1798.82, and 1798.140 (California Consumer Privacy Act of 2018, effective January 1, 2020), as amended and supplemented by the California Privacy Rights Act of 2020 (effective December 16, 2020; operative January 1, 2023). For the further avoidance of doubt, RCTC Data is not limited to proprietary or confidential information and need not constitute trade secret information.

RCTC Decision means a written decision issued by RCTC in accordance with Section 29.2.3.

RCTC-Directed Changes means:

(a) Any Change which RCTC has directed DB Contractor to perform as described in Section 21.1 (including Section 21.14(a));

(b) Subject to Section 21.10.1, any Change in the Work to be performed by DB Contractor as a result of material modifications contained in any final RCTC-Provided Approval not obtained as of the Setting Date which will (a) have a material adverse impact on DB Contractor's obligations under this Contract, and (b) were not caused by design solutions provided by or construction means, methods and techniques employed by DB Contractor; and

(c) A Direction by RCTC requiring DB Contractor to comply with commitments contained in re-evaluations, re-validations, and modifications of Environmental Approvals submitted after the Setting Date that have a material adverse impact on DB Contractor's obligations under this Contract to the extent such re-evaluations, re-validations.

RCTC Interface Contractors means the Toll Services Provider, Other RCTC Contractors or all of them, as applicable.

RCTC IP means all Intellectual Property owned by, or sufficiently licensed to, RCTC.

RCTC Marks has the meaning given in Section 29.5.4(a).

RCTC-Provided Approvals means the approvals listed in Exhibit 2-A, Contract Particulars (Phase 1).

RCTC-Provided Property means the Planned ROW Limits plus any TCE that RCTC acquires for the Project.

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Re-Validation means environmental documentation needed to cover changes to the Project that are not specifically included in other RCTC-Provided Approvals, to include the following design refinements:

(a) removing the shift to the centerline of the I-15 alignment; and

(b) refining Express Lanes ingress and egress access points.

Read Point means a location where the TCS detects vehicles, reads transponders, and captures images in order to create Lane Transactions.

reasonable accuracy has the meaning given in Section 21.12.2.

Reasonable Investigation means the following activities by appropriate, qualified professionals prior to the SOQ Step 2 Submittal Date:

(a) Visit and visual, non-intrusive inspection of the Planned ROW Limits and adjacent locations including inspection to identify the presence of other facilities, such as barriers, railing, structures, buildings, meters, junction boxes, manholes, or identifying markers, except areas to which access rights have not been made available by the SOQ Step 2 Submittal Date;

(b) Review and analysis of all Reference Documents and online map tools;

(c) Review and analysis of RCTC-Provided Approvals available prior to the SOQ Step 2 Submittal Date;

(d) Review and analysis of material Governmental Rules applicable to the Project or the Work as of the SOQ Step 2 Submittal Date; and

(e) Other activities sufficient to familiarize DB Contractor with surface and subsurface conditions, including the presence of Utilities, Hazardous Materials, archeological, biological, paleontological and cultural resources, and threatened or endangered species, affecting the Site or surrounding locations,

except that none of the foregoing activities includes conducting field studies, geotechnical investigations, or original research of private records not contained or referenced in the Reference Documents or Technical Provisions.

Recommendation has the meaning given in Section 28.

reconstruct means to remove and disassemble and construct again at an existing or new location.

Record of Survey has the meaning given in TP Section 17.4.4.

Recovery Schedule means a schedule that demonstrates DB Contractor's proposed plan to regain lost schedule progress and achieve the Completion Milestone by the applicable Completion Deadline and which complies with the requirements of TP Section 4.3.7, as updated and approved by RCTC in accordance with this Contract.

Reference Documents means all drawings, reports, studies, data, documents, or other information, provided or made available to any DB-Contract Related Entity by RCTC, or which

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was obtained from or through any other sources prior to a Setting Date including the documents and information contained in Volume III of the RFQ.

Registered Professional Engineer means a person who is duly licensed and registered by the California Board of Professional Engineers to engage in the practice of engineering in the State.

Regulations has the meaning given in Section 28.6.3.

Release for Construction means, for any element of the Project's design, the designation indicating that the element may be constructed as shown in the corresponding RCTC-approved Release for Construction Package.

Release for Construction Package has the meaning given in TP Section 3.3.1.5.

Release of Hazardous Materials means any spill, leak, emission, release, discharge, injection, escape, leaching, dumping or disposal of Hazardous Materials into the soil, air, water, groundwater or environment, including any exacerbation of an existing release or condition of Hazardous Materials contamination.

Relief Event means each of the following events:

(a) Force Majeure Events;

(b) RCTC-Caused Delays;

(c) A Change in Law which (i) requires a material modification in the design of the Project, or (ii) results in imposition of material additional mitigation requirements on the Project due to impacts on archaeological, paleontological, biological or cultural resources;

(d) Any failure by a Utility Owner to complete design, construction, materials procurement, and/or acquisition of a Utility Easement (as applicable) for any Relocation before the deadline in the applicable Utility Agreement;

(e) Subject to Section 21.13, a Differing Site Condition;

(f) Performance of Hazardous Materials Management by DB Contractor resulting from:

(i) Discovery of material quantities of HM-1 within the Existing Department ROW;

(ii) Discovery of material quantities of HM-2 within the Existing Department ROW which are Unknown Hazardous Materials;

(iii) Discovery of material quantities of Unknown Hazardous Materials within the Project ROW or any parcels added to the RCTC-Provided Property by an RCTC-Directed Change or required due to a Force Majeure Event (excluding the Existing Department ROW); or

(iv) Any spill of Hazardous Materials by a third party who is not acting in a capacity of, on behalf or under the authority or permission of a DB-Related Entity which: (A) is required to be reported to a Governmental Entity and

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(B) renders use of the roadway or construction area unsafe or potentially unsafe absent assessment, containment and/or remediation;

(g) Failure by the Utility Owner or RCTC (as applicable) to provide DB Contractor with timely access to any Utility Easement, where that Party is responsible for handling acquisition efforts for a particular Utility Easement under the terms of any applicable Utility Agreement;

(h) Subject to DB Contractor complying with its obligations under Section 4.2, acts or omissions of any Other RCTC Contractor, which materially and adversely directly affects DB Contractor's obligations under this Contract;

(i) A Utility Relief Event;

(j) DBE Event;

(k) Subject to Section 21.8, Force Majeure Events that are not insured against and are not required to be insured against in accordance with this Contract and result in substantial destruction or damage to the Work;

(l) Any Change which RCTC has not disputed in response to a DB Contractor Change Request; and

(m) Except as set out in Section 9.3.4, uncovering, removing, and restoring Work under Section 9.3, where the Work uncovered, removed, or restored is in compliance with this Contract.

Relief Event Notice has the meaning given in Section 20.1.1.

Relocate means action to undertake a Relocation. In its lowercase spelling to "relocate" means to remove and install or place in a new location.

Relocated Utility means a Utility facility for which a Relocation has occurred.

Relocation means each removal, relocation, adjustment, reconstruction, abandonment, Temporary Relocation, and provision of temporary services of any existing Utility facility that is necessary in order to accommodate or permit construction of the Project, including backfilling, pavement restoration and any other work described in TP Section 7.

remove means to remove and dispose of.

Request for Change Order means a written request initiated by DB Contractor substantially in the form of Exhibit 3.

Retainage has the meaning given in Section 18.11.1(a).

Requirement Verification Database has the meaning given in TP Section 5.3.3.1.2

RFQ means the Request for Qualifications regarding the Project issued by RCTC on February 28, 2025, including all addenda thereto, and all attachments.

RFQ Documents means the documents issued as part of the RFQ, including all addenda.

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Risk Register means the process described in TP Section 8.5.2.

roadbed means the roadway portion extending from the curb line to curb line or the edge of shoulder line to shoulder line. A divided highway has two roadbeds.

roadside an area between the outside shoulder edge and the right-of-way limits.

roadway the portion of a highway within the outside lines of curbs, sidewalks, slopes, ditches, channels, or waterways. A roadway includes the structures and features necessary for safety, protection of facilities, and drainage.

ROD means a record of decision issued by Department with respect to the Project based on, among other things, the RCTC NEPA/CEQA EIR/EA.

ROW Requirements Maps mean the maps DB Contractor prepares to show the parcels comprising the final Project ROW based on the Project's final design, as further described in TP Section 9.3.1.

Safety Manager has the meaning given in TP Section 2.2.2.4.

Schedule of Values means the schedule of values prepared and maintained by DB Contractor in accordance with the Technical Provisions, as updated in accordance with this Contract.

Scheduled Expiration Date has the meaning given in Section 2.3.1(b)

Security Plan means the plan described in TP Section 22.2.3.4 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Segment 1 means the portion of the Project required to open and operate the northern most toll zone approximately from Cajalco to Indian Truck Trail in the NB and SB directions.

Segment Zero has the meaning given in TP Section 1.1.5.

Senior Project Engineer has the meaning given in TP Section 2.2.3.7.

Service Line (also referred to as a service lateral or lateral) means (a) any Utility line, the function of which is to directly connect the improvements on an individual property (e.g., a single family residence or an industrial warehouse) to another Utility line located off such property, which other Utility line connects more than one such individual line to a larger system, and (b) any cable or Conduit that supplies an active feed from a Utility Owner's facilities to activate or energize a Local Agency's lighting and electrical systems, traffic signal systems, traffic control systems, copper or fiber communication systems or irrigation systems. The term also includes any Utility on public or private property that services structures located on such property.

Setting Date means:

(a) In the case of the Phase 1 Work, the date which is 60 days before the SOQ Step 2 Submittal Date; and

(b) In the case of the Phase 2 Work, the date of RCTC's receipt of a complete Phase 2 Proposal .

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shoulder means the Roadway portion contiguous with the traveled way for accommodation of a stopped vehicle, emergency use, and lateral support of base and surface courses.

Sign, Tolling, and Utility Service Concept Plan means the plan described in TP Section 19.3 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Site means those areas designated in writing by RCTC for performance of the Work and such additional areas as may, from time to time, be designated in writing by RCTC for DB Contractor's use in performance of the Work. For purposes of insurance (subject to any notification and other requirements imposed by the insurer(s) for approval), indemnification, safety and security requirements, the prevailing wage requirements, and payment for use of equipment, the term "Site" shall also include (a) the field office sites, (b) any property used for bonded storage of material for the Project approved by RCTC under Section 18.11.4, (c) staging areas dedicated to the Project, and (d) areas where activities incidental to the Project are being performed by DB Contractor or Subcontractors covered by the worker's compensation policy included in the insurance described in Section 14 but excluding any permanent locations of DB Contractor or such covered Subcontractors.

Site Specific Instrumentation and Monitoring Plan means the plan described in TP Section 13.3.4.2 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

small tool means a tool or piece of equipment not listed in Labor Surcharge and Equipment Rental Rates that has a replacement value of $500 or less.

Software means individually each, and collectively all, of the computer programs developed or provided by the DB Contractor under this Contract (including DB Contractor IP and/or Third-Party IP), including as to each such program, the processes, and routines used in the processing of data, the object code, interfaces to be provided hereunder by the DB Contractor, updates, upgrades, and any and all programs otherwise provided by the DB Contractor under this Contract.

SOQ means the original SOQ Step 1 Submittal and SOQ Step 2 Submittal of DB Contractor submitted in response to the RFQ, as modified and supplemented with RCTC's approval prior to the Effective Date.

SOQ Step 2 Submittal Commitments means the commitments in Exhibit 2-C (SOQ Step 2 Submittal Commitments).

SOQ Step 2 Submittal Date means April 8, 2025.

Sound Wall Design Report has the meaning given in TP Section 6.4.8.2.

Source Code or **Source Code Documentation** means software written in programming languages, such as C and Fortran, including all comments and procedural code, such as job control language statements, in a form intelligible to trained programmers and capable of being translated into object or machine readable code for operation on computer equipment through assembly or compiling, and accompanied by documentation, including flow charts, schematics, statements of principles of operations, architectural standards, and commentary, explanations and instructions for compiling, describing the data flows, data structures, and control logic of the software in sufficient detail to enable a trained programmer through study of such documentation to maintain and/or modify the software without undue experimentation. Source Code and Source

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Code Documentation also include all modifications, additions, substitutions, updates, upgrades and corrections made to the foregoing items.

Special Design has the meaning given in TP Section 1.4.1.

State means the State of California, including its agencies, departments or divisions whose conduct or action is related to the work.

State Arbitration Act has the meaning given in Section 28.6.3.

Stipulated Damages has the meaning given in Exhibit 6 (Lane Closures).

Structural Design Firm means the single entity or joint venture identified in Exhibit 2 (Contract Particulars) that is primarily responsible for the structural design of the Project.

Structure Design means the Offices of Structure Design of the Department of Transportation.

subbase means the layer of material between a base and the basement material.

Subcontract means an agreement between DB Contractor and one or more third parties providing for such third party to perform any part of the Work or provide any materials, equipment, labor or supplies for any part of the Work, or any such agreement between a Subcontractor and its lower tier Subcontractor or a Supplier and its lower tier Supplier, at any tier.

Subcontractor means any Person with whom DB Contractor has entered into any Subcontract and any other Person with whom any Subcontractor has further subcontracted any part of the Work, at any tier.

Subcontractor Procurement Plan means the plan prepared and updated by DB Contractor as described in TP Section 2.2.4, as updated and approved by RCTC in accordance with this Contract.

subgrade means the roadbed portion on which pavement, surfacing, base, subbase, or a layer of any other material is placed.

Submittal means any document, work product, or other written or electronic end product or item required under this Contract to be prepared by DB Contractor and delivered or submitted or resubmitted to RCTC (including the Administrative Project Plans, Project Schedule, Design Documents and Construction Documents, among others).

Submittal Requirements means the submittal requirements described in Section 5.2 (Submittal Requirements) which contain uniform terms and procedures applicable to Submittals.

Submittal Schedule has the meaning given in TP Section 3.1.2.6.

Substantial Completion means the stage in the Work when the following requirements have been satisfied by DB Contractor:

(a) All major safety features are installed and functional, such major safety features to include shoulders, guard rails, striping and delineations, concrete traffic barriers, bridge railings, cable safety systems, midwest guard rail systems, fences, ladders, steps, rungs, safety end treatments, terminal anchor sections, crash attenuators and any other items specified in TP Section 22.2.3;

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(b) All required illumination is installed and functional;

(c) All required signs and signals are installed and functional;

(d) The need for temporary traffic controls or for lane closures at any time has ceased (except for any required for routine maintenance, and except for temporary lane closures during hours of low traffic volume in accordance with and as permitted by the Transportation Management Plan solely to complete Punch List items);

(e) All lanes of traffic (including ramps, interchanges, overpasses, underpasses, other crossings and frontage roads) given in the Design Documents are in their final configuration and available for public use;

(f) Department Safety Review Committee has reviewed the Work and the Project and any items identified as deficient is corrected;

(g) The required TMS systems (excluding elements to be installed by TSP) are installed and functional in accordance with TP Section 16.4.2;

(h) Whether DB Contractor has completed the Work in accordance with this Contract and Design Documents, including the construction of noise/sound walls, such that the Project (excluding elements of the Project that are to be installed by TSP) is in a condition that it can be used for normal and safe vehicular travel in all lanes and at all points of entry and exit, subject only to Punch List items and other items of work that do not affect the ability to safely open the Project for such normal use and operation by the traveling public and for normal tolling operation for the Toll Facilities;

(i) The Parties shall disregard the status of the vegetative ground cover landscaping and aesthetic features, except noise/sound walls, included in the Released for Construction Documents in determining whether Substantial Completion has occurred, except to the extent that its later completion will affect public safety or satisfaction of the criteria in clause (d) of this definition;

(j) All Toll Package Turnovers have occurred;

(k) All noise/sound walls are installed and functional in accordance with TP Section 6.4.8 and TP Section 20.3.5; and

(l) DB Contractor has completed all Work which this Contract states is a condition precedent to Substantial Completion; provided that, Substantial Completion shall not be deemed to have occurred until (x) the earlier of DB Contractor's completion of its Work for the relevant Package and acceptance of such Work by RCTC and (y) Tolling Package Turnovers have occurred, per schedule, and the Tolling Package Turnover Plan.

Substantial Completion Deadline means the date specified in the Contract Particulars (Phase 2) as such date may be extended under this Contract.

substructure means bridge parts below the bridge seats, pier tops, and haunches for rigid-framed bridges or spring lines for arched bridges; "substructure" includes abutment backwalls, abutment parapets, and wingwalls.

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superstructure means Bridge parts except the substructure.

Supplier means any Subcontractor that supplies machinery, equipment, materials or systems to DB Contractor or any Subcontractor in connection with the performance of the Work and that does not perform Work at the Site. Persons who merely transport, pick up, deliver or carry materials, personnel, parts or equipment or any other items or persons to or from the Site shall not be deemed to be performing Work at the Site. The term "Supplier" includes fabricators and material dealers.

Surety means each properly licensed surety company, insurance company or other Person approved by the California State Insurance Commissioner to do business in the State and approved by RCTC, which has issued the Payment Bond or the Performance Bond in accordance with this Contract.

surfacing means the uppermost layer of material placed on a traveled way or shoulders; pavement.

suspended has the meaning given in Attachment 2 to Exhibit 13.

Sustainability Management Plan means the plan described in TP Section 6.4.13 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Take means, in the context of Environmental Approvals and environmental Governmental Rules, to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such conduct.

Target Cost of the Work (Phase 2) means the target Cost of the Work for Phase 2, including the Cost of the Work Contingency for Phase 2 and any Allowance Values, as approved, agreed or determined (as applicable) via the Phase 2 Amendment and specified in the Contract Particulars (Phase 2).

TCS Infrastructure has the meaning given in TP Section 19.3.1.

Technical Provisions means the Technical Provisions (Phase 1) and the Technical Provisions (Phase 2), or each of them as the context requires.

Technical Provisions (Phase 1) means the aspects of Exhibit 4 (Technical Provisions) of the Contract that apply to the Phase 1 Work, including those aspects described in TP Attachment 1-1.

Technical Provisions (Phase 2) means the aspects of Exhibit 4 (Technical Provisions) of the Contract that apply to the Phase 2 work, including those aspects described in TP Attachment 1-2.

Temporary Construction Easement means any TCE acquired as Additional Property in accordance with Section 8.1.3 and TP Section 9.4.2.

Temporary Relocation means (a) any interim relocation of a Utility (i.e. the installation, removal and disposal of the interim facility) pending installation of the permanent facility in the same or a new location, and (b) any removal and reinstallation of a Utility in the same location with or without an interim relocation.

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Termination Date means the date of termination specified in the Notice for Termination for Convenience or Termination for Default Notice (as applicable).

Termination for Convenience means a termination of the Contract, in whole or in part, in accordance with Section 23.1.

Termination for Convenience Amount has the meaning given in Section 23.5.

Third Party Claims means any and all claims, disputes, disagreements, causes of action, demands, suits, actions, judgments, investigations or proceedings brought by a Person that is not a Party with respect to damages, injuries, liabilities, obligations, losses, costs, penalties, fines or expenses (including attorneys', accountants' and expert witnesses' fees and expenses) sustained or incurred by such Person.

Third Party Claim Plan has the meaning given in TP Section 2.10.

Third Party IP means Intellectual Property owned by any Person unrelated to a DB-Related Entity, including any Software.

Time and Materials Change Order has the meaning given in Section 21.11.

Time and Materials Work means Work performed in accordance with a Time and Materials Change Order.

TMS Inventory has the meaning given in TP Section 16.2.2.

Toll Collection System means the toll collection system for the Express Lanes.

Toll Facilities means the tolled EL facilities located on the existing State highway system and identified in the Project Schematics.

Toll Facilities or TFA has the meaning given in Recital B.2. Applicable provisions in the TFA will be included in the Contract Particulars (Phase 2).

Toll Gantry(ies) has the meaning given in TP Section 19.3.5.

Toll Package has the meaning given in the Contract Particulars (Phase 2).

Toll Package Turnover means the stage in the Work where DB Contractor has completed design, construction, and inspection of the specific elements of a Toll Package, as specified during Phase 1, which could include, but are not limited to:

(a) Infrastructure for CCTV, including poles, pads, conduit, power, and communication;

(b) Infrastructure for TTMS, including poles, pads, conduit, power and communication;

(c) Communications from the Toll Package to the ROC;

(d) Power to all of the infrastructure within the Toll Package and other TCS equipment locations applicable to the Toll Package;

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(e) Successful completion of a load verification and automatic transfer switch test for each emergency generator connection meeting the requirements as set forth by the manufacturer and in this Contract;

(f) Successful completion of testing of the lightning protection and grounding systems to certify compliance with requirements in the NFPA-70, National Electric Code: NFPA-780, Lightening Protection Code, and UL-96A, Installation Requirements for Master Labeled Lightning Protection Systems; and

(g) All other requirements set out in TP Section 3.4.5 and the Contract Particulars (Phase 2) for each Toll Package Turnover.

Toll Package Turnover Deadline means a specific number of days prior to the Substantial Completion Deadline, for each and every Toll Package as identified in Phase 1, and incorporated into Phase 2, as such deadline may be extended under this Contract.

Toll Package Turnover Plan means the plan described in TP Section 19.3.8 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

Toll Services means the design, installation, integration, deployment, testing, management, operation and maintenance of the toll collection system and provision of customer service, back office and traffic management services.

Tolling Infrastructure and Coordination Manager has the meaning given in TP Section 2.2.1.10.

Toll Services Provider or **TSP** means Kapsch TrafficCom USA, Inc., a Delaware corporation (formerly Kapsch TrafficCom Transportation NA, Inc., a Michigan corporation).

Tolling Schematics means toll-vendor as-built documentation (provided in the Reference Documents) that presents tolling layouts (Toll Read Point, VTMS, CMS, CCTV/TTMS locations) which could possibly be used for layouts on the ELPSE.

total float means the amount of time that an activity or chain of activities can be delayed before extending the scheduled completion date.

TP Attachments means those documents annexed to the Technical Provisions and identified as "Attachments."

traffic means pedestrians, bicyclists, ridden or herded animals, vehicles, streetcars, and other conveyances either singularly or together while using any highway for purposes of travel.

traffic lane means the portion of traveled way used for the movement of a single line of vehicles.

Traffic Management Center has the meaning given in TP Section 16.1 and shall, as the context requires, refer to the Department Traffic Management Center, City of Corona Traffic Management Center and/or County of Riverside Traffic Management Center.

Traffic Manager – Construction has the meaning given in TP Section 2.2.2.3.

Transportation Management Plan means the plan for maintenance of traffic during construction described in TP Section 18.3.1 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

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Transportation Management System has the meaning given in TP Section 16.

traveled way means the portion of the roadway for the movement of vehicles, exclusive of the shoulders, berms, sidewalks, and parking lanes.

Tree and Vegetation Preservation and Removal Plan means the plan described in TP Section 20.3.2.2 to be prepared and updated by DB Contractor, as updated and approved by RCTC in accordance with this Contract.

TSP Concurrence With Concept Certification has the meaning given in TP Section 19.2.2**.**

TSP Contract means that certain Toll Services Contract (for the I-15 Express Lanes Project) dated as of January 26, 2017, by and between RCTC and TSP, as amended.

TSP Ready for Construction Certification means a certificate signed by TSP and provided to RCTC and DB Contractor in accordance with the process provided in TP Section 19.2.2, certifying to DB Contractor and RCTC, that (i) TSP has reviewed the elements of the DB Contractor's Design Documents that reflect the design elements for the TCS Infrastructure, (ii) such elements are consistent with TSP's "Infrastructure Design Requirements" (as defined in the TSP Contract) set forth in the "TCS Infrastructure Design Document" (as defined in the TSP Contract), and (iii) if the Work is built in accordance with such Design Documents, it will be suitable for TSP's performance of the Toll Services (as defined in the TSP Contract).

TSP Work has the meaning given in TP Section 19.2.2.

tunnel means "Tunnel" as defined in 8 CA Code of Regs. § 8405 et seq.

Turnover Area has the meaning given in Section 17.1.

unauthorized work means work performed beyond the lines and grades described in this Contract or established by RCTC or extra work performed without RCTC's authorization.

Uniform Act means the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. Chapter 61, as amended, and all associated regulations and policies.

Unknown Hazardous Materials means Hazardous Materials that meet all of the following criteria:

(a) The Hazardous Materials are in, on or under the Project ROW, or parcels added to the Project ROW by an RCTC-Directed Change or required due to a Force Majeure Event as of the date Department makes available to DB Contractor the affected parcel;

(b) The Hazardous Materials are not Known or Suspected Hazardous Materials; and

(c) The Hazardous Materials are not required to be removed and disposed of due to a DB Contractor Release of Hazardous Materials.

For purposes of this definition, "makes available" means the date DB Contractor first receives access to the parcel in accordance with this Contract. For avoidance of doubt, ADL-contaminated soils that exceed applicable DTSC thresholds requiring off-Site disposal, and which are not

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permitted to be used on-Site are considered Unknown Hazardous Materials so long as subparts (a), (b) and (c) of this definition of Unknown Hazardous Materials apply.

Unpermitted 15 EL Closure means an Unpermitted Lane Closure of a 15 Express Lane at the locations and during the time frames specified for the applicable segment and direction in Exhibit 6 (Lane Closures) – Charts 6-2 (as the context requires).

Unpermitted GP Lane Closure means an Unpermitted Lane Closure of a General Purpose Lane at the locations and during the time frames specified for the applicable segment and direction in the Lane Requirement Charts.

Unpermitted Lane Closure means such cases where DB Contractor: (a) fully or partially closes any portion of a General Purpose Lane or Express Lane, for any purpose; or (b) fully or partially blocks ingress to or egress from any portion of a General Purpose Lane or Express Lane, for any purpose, and where, in the case of either clause (a) or (b), the closure or blockage is not a Permitted Lane Closure; or (c) fails to comply with any requirement with respect to any Lane Closure.

unsuitable material means material encountered below the natural ground surface in embankment areas or below the grading plane in excavation areas that the Engineer determines to be in any of the following conditions:

(a) Of such unstable nature that it cannot be compacted to the specified density using ordinary methods at optimum moisture content;

(b) Too wet to be properly compacted and cannot be dried before incorporating it into the work. Excessive moisture alone is not sufficient cause for determining that the material is unsuitable; or

(c) Inappropriate for the planned use.

Utility or **utility** means a privately, publicly, or cooperatively owned line, facility or system (including municipal and/or government lines, facilities and systems) for transmitting or distributing communications, cable television, power, electricity, gas, oil, crude products, water, steam, waste, or any other similar commodity, including any irrigation system and any fire or police signal system as well as streetlights. However, when used in the context of the Relocation of facilities to accommodate the Project and utility investigations, the term "Utility" or "utility" excludes (a) storm water facilities that provide drainage solely for the Project ROW, (b) traffic signals, ramp metering systems, flashing beacon systems, and lighting systems for the Project and (c) all existing Department facilities not included in clause (b) of the definition of Utility, including TMS components, fiber, and all existing RCTC SR-91 and I-15 tolling components. The necessary appurtenances to each Utility facility (including fire hydrants as appurtenances to water lines) shall be considered part of such Utility. Without limitation, any Service Line connecting directly to a Utility shall be considered an appurtenance to that Utility, regardless of the ownership of such Service Line.

Utility Agreement means any agreement, as the same may be amended from time to time, between RCTC and a Utility Owner, providing specific scope, cost and schedule details for the Relocation of one or more particular Utilities. A document is a Utility Agreement if it meets the foregoing definition, without regard to the title or form of the document. Any Notice to Owner referenced in a Utility Agreement shall be deemed to be part of that Utility Agreement for purposes of this Contract unless the context requires otherwise. For any Utility Owner for which there is no

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Utility Agreement, the FD Notice to Owner and Construction Notice to Owner shall be treated as the Utility Agreement(s) for such Utility Owner.

Utility Conflict Matrix has the meaning given in TP Section 7.3.5.

Utility Easement means a permanent replacement easement and/or other interest in real property (excluding a franchise) located outside of the Project ROW that is necessary for a Relocation.

Utility Information means, collectively, a preliminary utility conflict matrix (dated 2020) and preliminary Utility Owner correspondence included in the utilities folder of the Reference Documents.

Utility Owner means any private entity or public body (including city, county, state, public corporation, or public district) that owns and/or operates a Utility, including cooperative utilities.

Utility Owner Project means the design and construction by or at the direction of a Utility Owner of a New Utility that is not part of a Relocation. Utility Owner Projects shall be entirely the financial obligation of the Utility Owner.

Utility Plans means the final installation details and construction documents that are prepared and updated by DB Contractor or Utility Owner(s), as updated and approved by RCTC in accordance with this Contract, for Utilities being Relocated to accommodate the Project.

Utility Relief Event means any Main or Trunkline Utility that is located within the Planned ROW Limits and requires Relocation that:

(a) In the case of Work performed during Phase 1, is (i) not identified at all in the Utility Information (i.e., is "unidentified"); or (ii) not identified in the Utility Information with "reasonable accuracy," as defined in Section 21.12.2 (i.e., is "misidentified"), excluding any Main or Trunkline Utility known to DB Contractor prior to the Effective Date or that would have become known to DB Contractor by undertaking a Reasonable Investigation prior to the SOQ Step 2 Submittal Date; and

(b) In the case of Work performed during Phase 2, is not identified in the Utility Information or Utility Strip Map (i.e., is "unidentified"), excluding any Main or Trunkline Utility known to DB Contractor prior to the Date of Phase 2 Approval or that could have been discovered by performing a Phase 1 Site Investigation in accordance with Good Industry Practice prior to the date of submitting the Phase 2 Proposal.

Utility Standards means the standard specifications, standards of practice, and construction methods that a Utility Owner customarily applies to facilities constructed by the Utility Owner (or for the Utility Owner by its contractors) at its own expense and that are comparable to the Utilities being Relocated for the Project. Such Utility Standards may or may not all be incorporated into documents issued by the Utility Owner, and shall include those processes, procedures, policies and practices that are industry-standard in Southern California for each particular type of Utility and those (if any) that are specified for the particular Utility Owner in accordance with TP Section 7. For any Utility Owner that is also a Governmental Entity, its Utility Standards shall include all such requirements that are imposed by Governmental Rules issued by such Utility Owner.

Utility Strip Map has the meaning given in TP Section 7.3.2.

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Utility Strip Map Deadline has the meaning given in Section 8.4.2(a), as such deadline may be extended under this Contract.

voluntarily excluded has the meaning given in Attachment 2 to Exhibit 13.

Warranty Bond has the meaning given in Section 13.2.3(a).

Warranty Bond Amount has the meaning given in Section 13.2.3(b).

Warranty Period has the meaning given in Section 16.1.2.

Warranty Work means Work required to remedy Nonconformances during the applicable Warranty Period.

Wash Areas shall mean Wasson Canyon Wash, Gavilan Wash, Temescal Wash, Horsethief Canyon Wash, Indian Wash, Mayhew Wash, Coldwater Wash, Brown Canyon Wash, and Bedford Wash, or other washes within the Project affected by the Work.

Weed Abatement Plan means the plan described in TP Section 20.3.3 to be prepared and updated by DB Contractor, as approved by RCTC in accordance with this Contract.

Wildfire means an uncontrolled fire in an area of combustible vegetation.

Work or **work** means all of the resources required to be provided by DB Contractor, including administrative, design, support services, procurement, professional, manufacturing, supply, design, installation, integration testing, commissioning, construction, supervision, management, labor, materials, equipment (including Department furnished materials), maintenance, documentation and other duties and services to be provided and provided by DB Contractor under this Contract, including all efforts necessary or appropriate to achieve the Completion Milestones by the Completion Deadlines, except for those efforts which this Contract expressly specifies will be performed by Persons other than the DB-Related Entities.

work paid by force account means work ordered without an existing agreement on its cost and performed with the understanding that DB Contractor will bill RCTC according to the cost of labor, materials, and equipment, plus a certain percentage for overhead and profit which shall not exceed the Maximum DB Markup.

work plan means the detailed formulation of a program of action.

work zone means the area of a highway with construction, maintenance or utility work activities.

[END OF DEFINITIONS]

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Interstate 15
EXPRESS LANES PROJECT
Southern Extension

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

REQUEST FOR QUALIFICATIONS (RFQ No. 25-31-007-00)

I-15 EXPRESS LANES PROJECT SOUTHERN EXTENSION

THROUGH A

PROGRESSIVE DESIGN-BUILD CONTRACT

VOLUME II: CONTRACT EXHIBITS

Execution Version: May 13, 2026

4080 Lemon Street, 3rd Floor
Riverside, CA 92501
www.rctc.org

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9-H	Phase 2 Proposal Commitments
EXHIBIT 10	Dispute Review Board Agreement
EXHIBIT 11	Cost Schedule
EXHIBIT 12	Insurance Policy Requirements
EXHIBIT 13	State and Federal Requirements
13-A	State Requirements
13-B	Public Contract Code Section 9204
13-C	Federal Requirements
13-D	Federal Prevailing Wage Rate
13-E	FHWA Form 1273
EXHIBIT 14	Form of Guaranty

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EXHIBIT 1

ABBREVIATIONS AND DEFINITIONS

[SEE EXHIBIT 1 IMMEDIATELY FOLLOWING CONTRACT]

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EXHIBIT 2

PROJECT SPECIFIC INFORMATION (PHASE 1)

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EXHIBIT 2-A

CONTRACT PARTICULARS (PHASE 1)

GLOSSARY OF TERMS, INTERPRETATION AND MISCELLANEOUS	
DB Contractor	SC Constructors
Guarantor	Skanska USA Civil West California District Inc.
Lead Engineering Firm	TYPSA, Inc.
Partnering Facilitator (Section 28.1.1)	Phase 1- N/A Phase 2 – To be determined by RCTC and DB Contractor during Phase 1
Structural Design Firm	GFT Infrastructure, Inc.
Warranty Period (Section 16.1.2)	1. For each element of the Project, except elements that will be owned by Persons other than RCTC and/or Department (e.g., Utility Owners and Local Agencies), the Warranty Period commences upon Project Completion and ends two years after the Project Completion Date; and 2. For each element of the Project that will be owned by Persons other than RCTC and/or Department (e.g., Utility Owners and Local Agencies), the Warranty Period commences upon acceptance of the element by the Person that will own such element and ends two years after such acceptance, or, in the case of Relocations, for such longer term required by the applicable Utility Agreement(s).
Project-Related Agreements (Section 4)	1. Caltrans Cooperative Agreement – RCTC Agreement #26-31-050-00 2. CT Agreement #08-1814 3. TFA Agreement/Amendment – TBD 4. City of Lake Elsinore MOU – RCTC Agreement #26-31-043-00 5. City of Corona MOU – RCTC Agreement #26-31-044-00
Toll Facilities Agreement	To be executed prior to the Phase 2 Approval Deadline.
RCTC-Provided Approvals	NEPA/CEQA Approval

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	[Any additional approvals to be confirmed during Phase 1, as negotiated and approved by RCTC]	
Lump Sum (Phase 1)		
Lump Sum (Phase 1)	$37,459,635	
Premiums for Bonds and insurance for Phase 1	$998,000	
Total Lump Sum (Phase 1)	$38,457,635	
Maximum DB Contractor Audited G&A Overhead Rate (Phase 1)	6%	
Maximum DB Contractor Profit (Phase 1)	5%	
Maximum DB Contractor's Markup (Phase 1)	11%	
Maximum DB Contractor Audited G&A Overhead Rate (Phase 2)	6%	
Maximum DB Contractor Profit (Phase 2)	6%	
Maximum DB Contractor's Markup (Phase 2)	12%	
PHASE 1 MILESTONES		
Phase 1 Milestones and Deadlines (Section 7.3)	**Phase 1 Milestone (Exhibit 1)**	**Phase 1 Milestone Deadline (Exhibit 1)**
	Cost Validation	90 days after NTP 1
	NTP Phase 1	June 1, 2026
	GMP (Phase 2)	September 3, 2027
	Phase 2 Proposal	60 days after GMP
	Phase 2 Approval Deadline	60 days after Phase 2 Proposal Date

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	Commission Approval	November 10, 2027
	NTP Phase 2	December 1, 2027
NATURE OF CONTRACT		
Conditions to NTP Phase 1 (Section 7.2)	DB Contractor has delivered to RCTC: 1. Insurance policies, certificates of insurance, riders to its existing insurance policies or other evidence reasonably required by RCTC to confirm the existence of all the insurance coverages required for the Phase 1 Work; 2. All Phase 1 Bonds each executed by the issuing Eligible Surety; 3. Guaranty of DB Contractor's obligations in accordance with this Contract, executed by Guarantor in the form of Exhibit 14; and 4. Any other documents, things or assurances required by this Contract as a condition of NTP Phase 1.	
Order of precedence of documents in the case of any ambiguity, discrepancy or inconsistency (Phase 1) (Section 1.2)	1. Amendments and Change Orders 2. Contract body, other than Exhibits and Appendices 3. Contract Particulars (Phase 1) 4. Any other documents forming part of this Agreement, (including Exhibits and Appendices), other than the Technical Provisions (Phase 1) 5. Technical Provisions 6. Modified Standard Specifications 7. Phase 1 Design Documentation 8. Administrative Project Plans 9. Phase 1 SOQ Step 2 Submittal Commitments	
Phase 1 Administrative Project Plans (Section 4.3)	1. Project Management Plan 2. DBE Open Ended Performance Plan 3. Document Management Plan 4. Emergency, Incident Action, and Communications Crisis Protocol Plan 5. Quality Management Plan 6. Design Quality Management Plan 7. Security Plan 8. Health and Safety Plan (Phase 1)	
PERSONNEL		
	Representative	**Function(s)**

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RCTC Representative and its other designated representatives (if any) and their functions (Section 6.2)	David Thomas	Toll Project Delivery Director
DB Contractor's Key Personnel (Section 6.4)	**Person**	**Position**
	Brandon Liesemeyer	Project Manager
	Al Arteaga	Lead Estimator
	Keith Jackson	Construction Manager
	Scott McKenzie	Design Manager
	Armando Garcia	Design-Build Coordinator
	Mohan Char	Design Lead Engineer – Structures
	Steven Ogburn	Design Lead Engineer – Roadways
	Paul Manning	Environmental Compliance Manager
	Dave Webb	Environmental Compliance Design Coordinator
	Jeffery Ell	Quality Manager
	Wesley Lobo	Tolling Infrastructure and Coordination Manager

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	Bryce Johnston	Construction Quality Validation Manager
	Natalya Shikaloff	Design Quality Validation Manager
	Danny Diep	Project Scheduler
	Kenny Pack	Traffic Manager – Construction
	Justin Wheaton	Safety Manager
	Sunny Medrano	Document Control Manager
PERFORMANCE AND PAYMENT BONDS / INSURANCE		
Phase 1 Performance Bond (Sections 13.1.1(a), 13.1.2(a), Exhibit 7-A)	$38,457,635	
Phase 1 Payment Bond (Sections 13.1.1(b), 13.1.2(b), Exhibit 7-B)	$38,457,635	
Insurance required for Phase 1	As provided in Section 14 and Exhibit 12	
SITE (Section 10.1)		
Conditions precedent to Site access during Phase 1 (Section 10.1.2)	DB Contractor shall: 1. obtain and maintain encroachment permits and other Governmental Approvals and rights of entry to gain access to areas of RCTC-Provided Property within the jurisdictions of Local Agencies (excluding Department); and 2. pay all fees and comply with all requirements of Governmental Approvals in connection with RCTC-Provided Property, including obtaining necessary	

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	approvals of plans and specifications (including Design Documentation).
Access hours for Work on Site during Phase 1	**As per Department issued Project Encroachment Permit**
QUALITY (Section 16)	
Period by which Warranty Period will be extended following rectification of a defect (Warranty Work) or completion of a Change Order to overcome a Defect (Section 16.1.2(b))	2 years
PAYMENT (Section 18)	
Times for submission of invoices by DB Contractor to RCTC Representative (Section 18.2)	Monthly, the 25th day of each month
Payment to Subcontractors (Section 18.15)	Within seven days of receipt of payment from RCTC
NOTICES (Section 30.10)	
Address and email address, for the giving or serving of notices (Section 30.10)	**RCTC:** Riverside County Transportation Commission 4080 Lemon Street, 3rd Floor Riverside, CA 92501 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208 Attention: Aaron Hake, Executive Director Phone: (951) 787-7141 Facsimile: (951) 787-7920 Email: ahake@rctc.org CC: i-15elpsePDB.parsons@parsons.com
	RCTC Representative: Address: 4080 Lemon Street, 3rd Floor Riverside, CA 92501 Mailing Address: P.O. Box 12008 Riverside, CA 92502-2208 Attention: David Thomas, Toll Project Delivery Director Email: dthomas@rctc.org

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	With Copy to: Jeff Dietzler, Capital Projects Manager Phone: (951)787-7141 Email address: jdietzler@rctc.org
	DB Contractor: SC Constructors Address: 1995 Agua Mansa Rd Riverside, CA 92509 Attention: James Bailey Phone:951-684-5360 Email address: james.bailey@skanska.com
	DB Contractor Representative: James Bailey Address: 1995 Agua Mansa Rd Riverside, CA 92509 Attention: James Bailey Phone: 951-684-5360 Email address: james.bailey@skanska.com

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EXHIBIT 2-B

[INTENTIONALLY OMITTED]

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EXHIBIT 2-C

PHASE 1 SOQ COMMITMENTS

PROGRESSIVE DESIGN-BUILD FOR THE I-15 EXPRESS LANES PROJECT SOUTHERN EXTENSION (ELPSE)

The following pages summarize certain commitments and clarifications made by DB Contractor in its proposal submitted for the Project, which DB Contractor agrees either clarifies the DB Contractor Proposal or exceed the requirements of the Contract. The commitments in this Exhibit are included in the scope of the work. This summary is an overview of certain DB Contractor commitments and is not intended to be an exhaustive list of clarifications or commitments made in the Proposal that exceed the requirements of the contract. Nothing contained in this Exhibit shall limit, modify, discharge, eliminate, or reduce the requirements of the contract. Nothing contained herein shall limit, modify, discharge, eliminate, or reduce the requirements of the Contract Documents. Inclusion of a commitment in this Exhibit 2-C shall not form the basis of any claim against RCTC or shift to RCTC the risk of, or liability for, any site condition, event, approval or consent that has otherwise been allocated to DB Contractor under the Contract.

No.	Doc/Sec/Page	Commitment
1	SC Constructors Step 2 SOQ, Volume 2, page 6-7	DB Contractor shall maintain an Environmental Compliance Coordinator who will participate as an additional Key Personnel in Phase I and Phase 2 certifying the environmental commitments and constraints are incorporated into the design documents. As of the Effective Date, the Environmental Compliance Coordinator shall be David Webb.
2	SC Constructors Step 2 SOQ, Volume 2, page 14	DB Contractor shall eliminate double markup for the Lead Engineering Firm. DB Contractor acknowledges and agrees that the Lead Engineering Firm did not apply profit to second-tier engineering subconsultants in developing the Lump Sum for Phase 1. DB Contractor further agrees that the Lead Engineering Firm will not apply profit to second-tier engineering subconsultants on any Time and Materials Change Order during Phase 1 or for the purpose of developing the GMP or any lump sum for Phase 2.
3	SC Constructors Step 2 SOQ, Volume 2, page 55	DB Contractor shall commit to creating a master agreement with SCE and pay fees for each point of connection Work Order for all proposed Project segments.
4	SC Constructors Step 2 SOQ, Volume 2, page 61	DB Contractor shall ensure all employees and subcontractors have stop-work authority when unsafe conditions exist.

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EXHIBIT 2-D

[INTENTIONALLY OMITTED]

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EXHIBIT 2-E

PHASE 1 SOQ FORMS

[See Attached]

Non-Collusion Affidavit using Form H;
Certification Regarding Buy America using Form I and I-2;
Conflict of Interest Disclosure Statement using Form K;
Debarment and Suspension Certification using Form P;
Iran Contracting Certification using Form M;
Disclosure of Contributions using Form F;
Executive Order N-6-22 Certification using Form T;
DBE Certification using Form J-1;
DBE Commitment Form using Form J-2;
Equal Employment Opportunity Certification using Form N;
Use of Contract Funds for Lobbying Certification using Form O.

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EXHIBIT 2-F

PHASE 1: CATEGORY C AND D COSTS

FORM L-1
PHASE 1 WORK TASKS

Deliverable Description	Task Number	Technical Provision Reference	Phase 1 Work Pricing Category[2]	Due Dates			
				Draft[1]	Submittal Milestone	Final[1]	Approval required by
Task 100: Project Management							
Project Management Plan ("PMP") Phase 1	100.01	2.1	C	Draft 1	30 days after issuance of NTP Phase 1	Final	60 days after issuance of NTP Phase 1
Project Management Plan ("PMP") Phase 2	100.02	2.1	C	Draft 1	with Phase 2 Proposal	Final	Prior to NTP Phase 2
Subcontractor Procurement Plan	100.03	2.2.4	C	Draft 1	with Phase 2 Proposal	Final	Prior to NTP Phase 2
DBE Open Ended Performance Plan: Phase 1	100.04	2.2.5	C	Draft 1	30 days after issuance of NTP Phase 1	Final	60 days after issuance of NTP Phase 1
DBE Open Ended Performance Plan: Phase 2	100.05	2.2.5	C	Draft 1	with Phase 2 Proposal	Final	Prior to NTP Phase 2
Document Management Plan (Phase 1)	100.06	2.3.1	C	Draft 1	3 Business Days after issuance of NTP Phase 1	Final	30 days after issuance of NTP Phase 1
Document Management Plan (updates to include Phase 2)	100.07	2.3.1	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Emergency, Incident, Action and Communication	100.08	2.4	C	Draft 1	3 Business Days after issuance	Final	30 days after issuance of NTP Phase 1

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Deliverable Description	Task Number	Technical Provision Reference	Phase 1 Work Pricing Category[2]	Due Dates			
				Draft[1]	Submittal Milestone	Final[1]	Approval required by
Crisis Protocol Plan (Phase 1)					of NTP Phase 1		
Emergency, Incident, Action and Communication Crisis Protocol Plan (Phase 2)	100.09	2.4	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Co-Located Office Plan Phase 2	100.10	2.7.1	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Field Office Plan – Phase 2	100.11	2.7.2	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Computer and Network administration plan	100.12	2.7.3	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Job Vehicle Leasing Plan	100.13	2.7.4	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
DB Contractor's laydown yard/batch plant site locations	100.14	2.8.1	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Public Outreach Plan	100.15	2.9	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Third Party Claim Plan	100.16	2.10	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Construction Quality Management Plan	100.17	5.2.3.3 and 5.4.1	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Phase 2 Risk Register and Updates	100.18	8.5	C	Draft 1	with every OPC	Final	with Phase 2 Proposal
Maintenance Work Plan	100.19	21.2.3	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Health and Safety Plan (Phase 1)	100.20	22.2.3	C	Draft 1	submit w/in 14 days of NTP Phase 1	Final	30 days after issuance of NTP Phase 1

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Deliverable Description	Task Number	Technical Provision Reference	Phase 1 Work Pricing Category[2]	Due Dates			
				Draft[1]	Submittal Milestone	Final[1]	Approval required by
Security Plan	100.21	22.2.3.4	C	Draft 1	submit w/in 14 days of NTP Phase 1	Final	30 days after issuance of NTP Phase 1
Health and Safety Plan (Phase 2)	100.22	22.2.3 (ECR HW-5)	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Phase 2 Proposal	100.23	1.1.6	C	Draft 1	180 days prior to Phase 2 Award	Final	180 days prior to Phase 2 Award
Quality Management Plan (Phase 1)	100.24	5.2.3	C	Draft 1	within 15 days of NTP Phase 1	Final	30 days after issuance of NTP Phase 1
Design Quality Management Plan	100.25	5.2.3.2 and 5.3.1	C	Draft 1	within 15 days of NTP Phase 1	Final	Prior to any design Submittal or 30 days after issuance of NTP Phase 1, whichever is sooner
Quality Management Plan (Phase 2)	100.26	5.2.3	C	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Anticipated existing/future projects coordination matrix	100.27	2.5.1	C	n/a	n/a	Quarterly	Ongoing at NTP Phase 1
Task 200: Preliminary Design							
210 Roadway							
Existing Sign Inventory	210.01	15.3.4.3	D	Draft 1	within 60 days after issuance of NTP Phase 1	Final	with Phase 2 Proposal
Sign, Tolling and Utility Service Concept Plan	210.02	19.3.1 (15.3.2 and 15.3.4)	D	Draft 1	Concurrence prior to moving to	n/a	n/a

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Deliverable Description	Task Number	Technical Provision Reference	Phase 1 Work Pricing Category[2]	Due Dates			
				Draft[1]	Submittal Milestone	Final[1]	Approval required by
					Preliminary Plans		
Civil Plans	210.03	3.3.3.3 and 3.3.3.4	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
Specifications	210.04	3.3.1.3	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
220 Structures							
Structure Type Selection Report	220.01	14.3.1.1/3.3.1.2	D	Draft 1	As per Baseline Schedule	Final	with Phase 2 Proposal
Foundation Reports	220.02	3.3.1.5 / 13.3.3 / 14.3.1.1	D	Draft 1	Prelim with Type Selection	Final	Phase 2 Work
Hydraulics Reports	220.03	3.3.1.5 / 12.3.1 / 14.3.1.1	D	Draft 1	Prelim with Type Selection	Final	with Phase 2 Proposal
Structure Plans	220.04	3.3.1.4 / 3.3.1.5 / 14.3.1.2	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
Specifications – SSPs	220.05	3.3.1.5	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
Calculations	220.06	3.3.1.5	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
230 Drainage							
Pre-Construction Drainage Inventory Assessment Report	230.01	12.4.1	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Drainage Report	230.02	12.3.2	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
SWDR Submittal Packages	230.03	12.3.3	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
Civil Plans Packages	230.04	3.3.3.3 and 3.3.3.4	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work

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Deliverable Description	Task Number	Technical Provision Reference	Phase 1 Work Pricing Category[2]	Due Dates			
				Draft[1]	Submittal Milestone	Final[1]	Approval required by
240 Geotechnical							
Geotechnical Execution Plan (Phase 1)	240.01	13.3.1	D	Draft 1	within 30 days of NTP Phase 1	Final	within 60 days of NTP Phase 1
Geotechnical Execution Plan (Phase 2)	240.02	13.3.1	D	Draft 1	with Phase 2 Proposal	Final	Prior to NTP Phase 2
Materials Report	240.03	11.3.7	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
Geotechnical Design Report	240.04	13.3.3	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
Civil Plans Packages	240.05	3.3.3.3 and 3.3.3.4	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
250 Traffic and MOT							
General TMP[2]	250.01	18.3.1	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
Civil Plans Packages	250.02	3.3.3.3 and 3.3.3.4	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
260 Tolling and TMS							
Line of Sight Study	260.01	19.3.4	D	Draft 1	within 60 days after issuance of NTP Phase 1	Final	with Phase 2 Proposal
TMS Inventory	260.02	16.2.2	D	Draft 1	n/a	Final	with Phase 2 Proposal
Anticipated Department-furnished materials list	260.03	16.3.1	D	Draft 1	n/a	Final	with Phase 2 Proposal

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Deliverable Description	Task Number	Technical Provision Reference	Phase 1 Work Pricing Category[2]	Due Dates			
				Draft[1]	Submittal Milestone	Final[1]	Approval required by
TSP Concurrence with Concept Certification	260.04	19.2.2	D	Draft 1	n/a	Final	within 90 days after issuance of NTP Phase 1
Toll Package Turnover Plan	260.05	19.3.8	D	Draft 1	with Phase 2 Proposal	Final	Prior to NTP Phase 2
Tolling Plans Packages	260.06	3.3.3.3 and 3.3.3.4	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
270 Landscape/Aesthetics							
Tree and Vegetation Preservation and Removal Plan	270.01	20.3.2.2	D	Draft 1	with Phase 2 Proposal	Final	Prior to NTP Phase 2
Weed Abatement Plan (include as part of the Maintenance Work Plan)	270.02	20.3.3	D	Draft 1	with Phase 2 Proposal	Final	Prior to NTP Phase 2
Landscaping and Irrigation Plans	270.03	20.3.1	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
280 Utilities							
Utility Strip Map	280.01	7.3.2	D	Draft 1	within 60 days after issuance of NTP Phase 1	Final	with Phase 2 Proposal
Utility Exceptions	280.02	7.1.1	D	Draft 1	n/a	Final	with Phase 2 Proposal
Department High-Priority Facilities Certification	280.03	7.3.3	D	Draft 1	n/a	Final	with Phase 2 Proposal
Identification of Long Lead Utilities, or other Elements Requiring Coordination	280.04	7.3.4	D	Draft 1	within 60 days after issuance of	Final	within 90 days after issuance of NTP Phase 1

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Deliverable Description	Task Number	Technical Provision Reference	Phase 1 Work Pricing Category[2]	Due Dates			
				Draft[1]	Submittal Milestone	Final[1]	Approval required by
					NTP Phase 1		
Utility Conflict Matrix	280.05	7.3.5	D	Draft 1	within 60 days after issuance of NTP Phase 1	Final	within 90 days after issuance of NTP Phase 1
Memorandum describing the anticipated Phase 2 Utility Work	280.06	7.3.5	D	Draft 1	n/a	Final	with Phase 2 Proposal
Utility Plans	280.07	3.3.3.3 and 3.3.3.4	D	Draft 1	with Phase 2 Proposal	Final	Phase 2 Work
Task 300: Environmental							
310 Permitting							
Environmental Permit Applications for Phase 2	310.02	6.3.2	D	Draft 1	July 1, 2026	Final	Phase 2 Work
320 Plans and Surveys							
Environmental Management Plan (Phase 2)	320.01	6.3.2	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
ESA Fencing Plan	320.02	6.4.1.1	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Paleontological mitigation plan	320.03	6.4.3	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Cultural Resources map or plan	320.04	6.4.2	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Hazardous Materials and Waste Management Plan	320.05	6.4.4	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2

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Deliverable Description	Task Number	Technical Provision Reference	Phase 1 Work Pricing Category[2]	Due Dates			
				Draft[1]	Submittal Milestone	Final[1]	Approval required by
Contaminated Media Management Plan	320.06	6.4.4.4	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Hazardous Waste Construction Contingency Plan	320.07	6.4.4.5	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Lead Compliance Plan	320.08	6.4.4.1	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
ADL Management Plan	320.09	6.4.5	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Air Quality Management Plan	320.10	6.4.6	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Biological Monitoring Plan	320.11	6.4.9	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Oak Tree Management Plan	320.12	6.4.10.6	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Fire Prevention Plan	320.13	6.4.12	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Invasive Species Management Plan	320.14	6.4.14	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Burrowing Owl Management Plan	320.15	6.4.10.1	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Bat Management Plan	320.16	6.4.10.2	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Nesting Bird Management Plan	320.17	6.4.10.3	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Stephens's Kangaroo Rat Plan	320.18	6.4.10.4	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Crotch Bumble Bee Management Plan	320.19	6.4.10.5	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2
Sustainability Management Plan	320.20	6.4.14	D	Draft 1	with Phase 2 Proposal	Final	prior to NTP Phase 2

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Deliverable Description	Task Number	Technical Provision Reference	Phase 1 Work Pricing Category[2]	Due Dates			
				Draft[1]	Submittal Milestone	Final[1]	Approval required by
Task 400: Project Controls							
410 General							
Monthly Progress Reporting and Invoicing	410.01	2.5.3	C	n/a	n/a	Monthly	Ongoing at NTP Phase 1
420 Schedule							
Monthly Progress Schedule	420.01	4.3.5	C	n/a	n/a	Monthly	Ongoing at NTP Phase 1
Four-week look ahead schedule	420.02	4.3.6	C	n/a	n/a	Monthly	Ongoing at NTP Phase 1
Phase 2 Baseline Schedule	420.03	4.3.3	C	Draft 1	with OPC's	Final	with Phase 2 Proposal
430 Cost Estimating							
Estimating Methodology Report	430.01	8.3	C	Draft 1	within 14 days after issuance of NTP Phase 1	Final	30 days after issuance of NTP Phase 1
Cost and Concept Validation Report	430.02	8.2	C	Draft 1	within 60 days after issuance of NTP Phase 1	Final	within 90 days after issuance of NTP Phase 1
Budget Validation/Baseline OPC	430.03	8.4	C	Draft 1	within 60 days after issuance of NTP Phase 1	Final	within 90 days after issuance of NTP Phase 1
Subsequent OPC(s)	430.04	8.4	C	Draft 1	As per DB Contractor's Schedule	Final	with Phase 2 Proposal

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EXHIBIT 2-G

LISTED SUBCONTRACTORS / SUBCONTRACTOR IDENTIFICATION FORM (PHASE 1)

Subcontractor Name, Address, Telephone No., License Number (CSLB and DIR)	Description of Subcontract Work	Dollar Amount of Subcontract	Estimated Time of Performance
TYPSA, Inc.	Lead Engineering Firm	$16,721,441	15 months from issuance of NTP 1
GFT Infrastructure, Inc.	Lead Design Engineering-Structure, Utility Coordination	$5,309,387	15 months from issuance of NTP 1
AYCE Consulting Engineers, Inc.	Roadway Design Support	$563,020	15 months from issuance of NTP 1
ADVANTEC Consulting Engineers, Inc.	Traffic Handling, Traffic Mgmt. Systems Support	$1,142,058	15 months from issuance of NTP 1
MNS Engineers, Inc.	Structures Support	$138,369	15 months from issuance of NTP 1
Earth Mechanics, Inc.	Geotechnical Engineering	$2,029,170	15 months from issuance of NTP 1
Verdantas Inc.	Geotechnical Engineering	$1,389,183	15 months from issuance of NTP 1
CL Surveying and Mapping, Inc	Land Surveying, LiDAR	$1,257,490	15 months from issuance of NTP 1
Savage Services	N/A	$480,340	15 months from issuance of NTP 1

DB Contractor: SC Constructors

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EXHIBIT 3

FORM OF DB CONTRACTOR REQUEST FOR CHANGE ORDER

CHANGE ORDER REQUEST NO. _____ CONTRACT NO. _____

SECTION I:

Name: _____ Date: _____

Title: _____

Company Name: _____

Description:

_____

_____

_____

_____

_____

Additions/Deletions/Modifications to Contract requirements:

Contract Requirement:	Addition/Deletion/Modification:
_____	_____
_____	_____
_____	_____
_____	_____

Scope:

_____

_____

_____

_____

_____

Reason for Request for Change Order:

_____

_____

_____

_____

_____

Is this Request for Change Order for a RCTC-Directed Change?

□ Yes □ No

Please Explain:

_____

_____

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Project Manager
Date:

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EXHIBIT 4

TECHNICAL PROVISIONS

[Refer to separate document entitled Technical Provisions]

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EXHIBIT 5

MODIFIED STANDARD SPECIFICATIONS

(Replacing Sections 1 through 9 of Department's Standard Specifications)

[See Attached]

This Exhibit 5 sets forth the Modified Standard Specifications for this Contract. The provisions contained in these Modified Standard Specifications shall replace Sections 1 through 9 of the 2025 Standard Specifications issued by the State of California Department of Transportation (Department), in their entirety and differ materially from the volume issued by Department.

The Modified Standard Specifications may include cross-references to provisions of the Standard Specifications which are not applicable to this Contract because they have been superseded by other provisions of this Contract. Any such cross-references are deemed references to the provisions of this Contract which have superseded the referenced provisions of the Standard Specifications.

Refer to Department Standard Specifications, dated 2025, for Sections 10 through 95 of the Standard Specifications.

General Exceptions:

1. When these Modified Standard Specifications or other provisions in the Department Standard Specifications refer to "Measurement for Payment," "Method of Measurement," or "Payment Quantities," except as otherwise provided in this Contract, such language is disregarded. Terms and conditions of Final Payment are set forth in this Contract.

2. When these Modified Standard Specifications or other provisions in the Department Standard Specifications refer to "basis of payment," "unit prices," or "adjustments of unit prices," such references and language is disregarded, except as otherwise provided in this Contract, including the Technical Provisions.

3. When these Modified Standard Specifications or other provisions in the Department Standard Specifications refer to "extra work," "compensation for," "at the Department's expense," "quantity adjustments," "equivalent quantities," or similar phrases, such references shall be disregarded. It is intended that the payment of the Contract Price will be full compensation for all Work performed pursuant to this Contract unless specific provisions for additional payments are contained in this Contract, including the Technical Provisions.

4. When these Modified Standard Specifications or other provisions in the Department Standard Specifications refer to the term "incidental" such term will mean that the cost is included in the Contract Price.

5. When these Modified Standard Specifications or other provisions in the Department Standard Specifications refer to "Change Orders," "change order work," or "extra work," except as otherwise provided in this Contract, such language shall be disregarded. Terms and conditions of changes, entitlement to additional compensation, and Change Orders are set forth in this Contract.

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6. Any references to the State Contract Act or provisions of the State Contract Act contained in the Department documents shall be deemed references to the equivalent provisions contained in statutes applicable to RCTC.

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EXHIBIT 5

MODIFIED STANDARD SPECIFICATIONS

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DIVISION I GENERAL PROVISIONS

1 GENERAL

1-1.01 GENERAL

Section 1 includes specifications related to the interpretation of the contract.

The specifications are divided into 12 divisions.

Division I includes general specifications applicable to every contract unless specified as applicable only under certain conditions.

Division II includes specifications for general construction applicable to every contract unless specified as applicable only under certain conditions.

Divisions III through X include construction specifications for specific bid items.

Division XI includes specifications for common materials. For a material specified in this division, that material specified in any section must comply with the specifications in division XI.

Division XII includes construction specifications for buildings.

The specifications are written to the proposer before award and the DB Contractor after. Before award, interpret sentences written in the imperative mood as starting with *The proposer must* and interpret *you* as *the proposer* and *your* as *the proposer's*. After award, interpret sentences written in the imperative mood as starting with *The DB Contractor must* and interpret *you* as *the DB Contractor* and *you* as *the DB Contractor's*.

After Contract approval, submit all documents and Submittals required under this Contract and direct any questions that arise during the performance of the Work to RCTC. Orders, authorizations, and requests to the DB Contractor are by RCTC except as otherwise provided in this Contract.

Except as otherwise provided in this Contract, the following items from Riverside County Transportation Commission (“RCTC”) partnering with Department will be in writing:

1. Approvals
2. Authorizations
3. Decisions
4. Notifications
5. Orders
6. Responses

Except as otherwise provided in this Contract, the following items from the DB Contractor must be in writing:

1. Notifications and Notices
2. Proposals
3. Reports
4. Requests, including RFIs, sequentially numbered
5. Subcontracts
6. Test results

Where a location is not specified with the words “shown”, “specified”, or “described”, interpret:

1. “Shown” as “shown on the plans”.
2. “Specified” as “specified in the specifications”
3. “Described” as “described in this Contract”. “Described” means “shown, specified, or both”.

Headings are included for the purposes of organization and referencing. Inclusion of a heading with no related content, “Not Used”, or “Reserved” does not indicate that no specification exists for that subject; applicable specifications may be covered in a general or referenced specification.

Specifications in a section titled *General* apply to all subordinate sections within the section.

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SECTION 1 **GENERAL**

Specifications in the general section of a division apply to all sections within the division.

Sections are reserved in the *Standard Specifications* for correlation of special provisions and for future expansion of the *Standard Specifications*.

The specifications are expressed in US customary units except where a referenced document uses the International System of Units as the standard.

Unless an object or activity is specified to be less than the total, the quantity or amount is all of the object or activity.

All items in a list apply unless the items are specified as choices.

1-1.02 STYLE VARIATIONS

The Department is gradually standardizing the style of the specifications. The use of the new style does not change the meaning of a Contract part that does not use this style. The new style includes:

1. Use of:
   1.1. Imperative mood
   1.2. Introductory modifiers
   1.3. Conditional clauses
   1.4. Industry-standard terms
2. Elimination of:
   2.1. Language variations
   2.2. Definitions for industry-standard terms
   2.3. Redundant specifications
   2.4. Needless cross-references

Because of the transition, some terms or clauses used in Division I are different from those used in other divisions and in other Contract parts. Interpret the equivalent term or clause shown in the following table as having the same meaning as the corresponding term or clause in Division I:

Terms Equivalencies

Term or clause in Division I	Equivalent term or phrase that may be in other divisions and in other Contract parts	Conditions
Authorize	Approve	Except in a Change Order
Authorized Material List	Pre-Qualified Products List	--
Department-furnished material	State-furnished material	--

1-1.03–1-1.04 RESERVED

1-1.05 REFERENCES

A reference within parentheses to a law or regulation is included in the Contract for convenience only and is not a comprehensive listing of related laws and regulations. Lack of a reference does not indicate no related laws or regulations exist.

Where the version of a referenced document is not expressly specified, use the most recent version in effect on the Setting Date..

A reference to a section includes specifications in sections titled General that apply to the section.

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Where a section number is referenced without a reference to a document, the reference is to a section of the *Standard Specifications* as revised by any revised standard specification, special provision, or both. Any reference directly to a revised standard specification is for convenience only. Lack of a direct reference to a revised standard specification section does not indicate a revised standard specification for the section does not exist.

A code not specified as a federal code is a California code.

An agency or a department not specified as a federal or local agency or department is a California agency or department.

1-1.06 ABBREVIATIONS

Refer to Contract Exhibit 1 for the meanings of certain acronyms and abbreviations used in the Contract, including these Modified Standard Specifications.

1-1.07 DEFINITIONS

Refer to Contract Exhibit 1 for the meanings of certain terms used in the Contract, including these Modified Standard Specifications.

1-1.08 RESERVED

1-1.09 FREEZE-THAW AREAS

Freeze-thaw areas are areas of the State where freeze-thaw cycles and heavy salting frequently occur. A project is in a freeze-thaw area if the project is specified in the special provisions to be in a freeze-thaw area.

1-1.10 PAVEMENT CLIMATE REGIONS

To help account for the effects of various climatic conditions on pavement performance, the State has been divided into 9 climate regions. The project's pavement climate region is shown on the project plans.

1-1.11 WEBSITES, ADDRESSES, AND TELEPHONE NUMBERS

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Websites, Addresses, and Telephone Numbers

Reference or agency or department unit	Website	Address	Telephone no.
Authorized ADSC Standard Mitigation Plan	https://dot.ca.gov/-/media/dot-media/programs/engineering/documents/20201214-caltransapprovedadscstandardmitigationplan-a11y.pdf	--	--
Authorized Facility Audit List	http://www.dot.ca.gov/hq/esc/Translab/OSM/documents/smdocuments/Internet_auditlisting.pdf	--	--
Authorized Material List	http://www.dot.ca.gov/hq/esc/approved_products_list/	--	--
Authorized Material Source List	http://www.dot.ca.gov/hq/esc/Translab/authorized_material_source_list/	--	--
Authorized Material Systems List	http://www.dot.ca.gov/hq/esc/Translab/authorized_systems_list/	--	--
Authorized Laboratory List	http://www.dot.ca.gov/hq/esc/Translab/authorized_laboratories_list/	--	--
CA Unified Certification Program's list of certified DBEs	http://www.dot.ca.gov/hq/bep/find_certified.htm	--	--
Data Interchange for Materials Engineering	https://dime.dot.ca.gov	MATERIALS ENGINEERING AND TESTING SERVICES DEPARTMENT OF TRANSPORTATION 5900 FOLSOM BLVD SACRAMENTO CA 95819-4612	(916) 227-5238
California MUTCD	http://www.dot.ca.gov	--	--
Department	http://www.dot.ca.gov	--	--
Department of Conservation, Office of Mine Reclamation	http://www.conservation.ca.gov/dmr	--	--
Department of General Services, Office of Small Business and DVBE Services	http://www.dgs.ca.gov/dgs/ProgramsServices/BusServices.aspx	OFFICE OF SMALL BUSINESS AND DVBE SERVICES DEPARTMENT OF GENERAL SERVICES 707 3RD ST WEST SACRAMENTO CA 95605-2811	(800) 559-5529 (916) 375-4940
Department of Industrial Relations	http://www.dir.ca.gov	455 GOLDEN GATE AVE SAN FRANCISCO CA 94102	--

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Division of Accounting, Office of External Accounts Payable	http://www.dot.ca.gov/hq/asc/oap/payments/contact.htm#conpets1	MAJOR CONSTRUCTION PAYMENT AND INFORMATION UNIT OFFICE OF EXTERNAL ACCOUNTS PAYABLE DIVISION OF ACCOUNTING DEPARTMENT OF TRANSPORTATION P.O. BOX 168043 SACRAMENTO CA 95816-8043	(916) 227-9013
Division of Construction	https://dot.ca.gov/programs/construction	--	--
Division of Safety: MASH devices	https://dot.ca.gov/programs/safety-programs/mash	--	--
Geotechnical Services	http://www.dot.ca.gov/hq/esc/geotech	GEOTECHNICAL SERVICES DEPARTMENT OF TRANSPORTATION 5900 FOLSOM BLVD SACRAMENTO CA 95819-4612	(916) 227-7000
METS	http://www.dot.ca.gov/hq/esc/Translab/	MATERIALS ENGINEERING AND TESTING SERVICES DEPARTMENT OF TRANSPORTATION 5900 FOLSOM BLVD SACRAMENTO CA 95819-4612	(916) 227-7000
MPQP	http://www.dot.ca.gov/manuals.htm	--	--
Office Engineer	--	MSC 43 OFFICE ENGINEER DEPARTMENT OF TRANSPORTATION 1727 30TH ST SACRAMENTO CA 95816-7005	(916) 227-6299
Office of Electrical Systems Regional Transportation Management Center		OFFICE OF ELECTRICAL SYSTEMS REGIONAL TRANSPORTATION MANAGEMENT CENTER 3165 GOLD VALLEY DR RANCHO CORDOVA CA 95742	
Quail Software	https://www.dot.ca.gov/programs/engineering-services/quail-software		
South Coast Air Quality Management District	www.aqmd.gov	--	--
SWRCB, Land Disposal Program	https://www.waterboards.ca.gov/water_issues/programs/land_disposal/walist.html	--	--

1-1.12 -through 1-1.15 RESERVED

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2 RESERVED

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3 RESERVED

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4 SCOPE OF WORK

4-1.01 GENERAL

Section 4 includes specifications related to the scope of Work.

4-1.02 INTENT

This Contract's intent is to provide for Work completion using Good Industry Practice.

Nothing in the specifications voids the DB Contractor's public safety responsibilities.

4-1.03 WORK DESCRIPTION

Construct the Work described in the Contract.

4-1.04 MATERIALS ON-SITE

You may use aggregate or other materials found in excavation that comply with the specifications. Replace the quantity of material removed with an equal quantity of material. The material must have been designated for use in the Work. Do not excavate material from outside the excavation slope and grade lines without approval from RCTC.

4-1.05–4-1.12 RESERVED

4-1.13 CLEANUP

Before final inspection, the DB Contractor shall clean the highway, material sites and all ground occupied by DB Contractor in connection with the Work and leave the job Site neat and presentable and dispose of:

1. Rubbish
2. Excess materials
3. Falsework
4. Temporary structures
5. Equipment

Do not remove warning, regulatory, or guide signs until Final Acceptance.

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5 CONTROL OF WORK

5-1.01 GENERAL

Section 5 includes specifications related to the Contract parties' relations and Final Acceptance.

5-1.02–5-1.12 RESERVED

5-1.13 SUBCONTRACTING

5-1.13A General

No Subcontract releases you from this Contract or relieves you of your responsibility for a Subcontractor's Work.

Do not use a debarred contractor. For a list of debarred contractors, refer to the Department of Industrial Relations' website.

If you violate Pub Cont Code § 4100 et seq., RCTC may exercise the remedies provided in Pub Cont Code § 4110. RCTC may refer the violation to the Contractors State License Board as provided under Pub Cont Code § 4111.

Each Subcontract must comply with this Contract.

Each Subcontractor must have an active and valid:

1. State contractor license with a classification appropriate for the work to be performed (Bus & Prof Code § 7000 et seq.)

2. Public works contractor registration number with the Department of Industrial Relations.

Submit copies of Subcontracts upon request in accordance with the requirements of this Contract.

5-1.13B Disadvantaged Business Enterprises

5-1.13B(1) General

Follow DBE processes as described in the Contract.

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5-1.13C–5-1.13J RESERVED

5-1.14–5-1.16 RESERVED

5-1.17 CHARACTER OF WORKERS

If a worker appears to RCTC to be incompetent or acts disorderly or improperly, discharge the worker immediately upon request. Do not employ that worker again on the Project.

5-1.18 WORKPLACE VIOLENCE AND HARASSMENT PREVENTION

You are responsible for maintaining a Work environment that protects employees and members of the public from acts of violence, threats, harassment, intimidation, or abusive conduct in performance of the Work. There will be zero-tolerance for such acts or conduct.

The following are used in determining if any such acts or conduct have occurred:

1. An act of violence is an attempt or actual use of force with the intent to threaten, harass, intimidate, commit a violent injury, or damage property.
2. A threat is a verbal, written, or physical statement intended to intimidate by expressing intent to harass, injure, or damage property.
3. Harassment is severe or pervasive use of unwelcome words, actions, or physical contact. Verbal or written harassment may include disparaging or derogatory comments or slurs, or unreasonable or excessive criticism.
4. Intimidation is an attempt to frighten, alarm, or scare a person into, or deter them from, some action.
5. Abusive conduct is the behavior of an individual in the workplace, with malice, that a reasonable person would find hostile, offensive, or unrelated to performance of the Work.

RCTC will make the final determination as to whether an individual's acts or conduct require removal from the Project. Once notified by RCTC, immediately remove the individual and do not allow that individual to participate on the Project.

If you believe an RCTC or Department employee has engaged in such acts or conduct, immediately inform RCTC.

5-1.19–5-1.26 RESERVED

5-1.27 RECORDS

5-1.27A RESERVED

5-1.27B Record Retention

Retain Project records from preparation of the Phase 2 Proposal through the later of:

1. Five years after the Final Acceptance Date or the termination of this Contract (as applicable) or
2. Resolution of Claims, if any.

Project records that must be retained include records of:

1. Proposal preparation
2. Overhead
3. Payrolls
4. Payments to Subcontractors and Suppliers
5. Cost accounting

Maintain the records in an organized way in the original format, electronic and hard copy, conducive to professional review and audit.

5-1.27C Record Inspection, Copying, and Auditing

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Make your records and the records of your Subcontractors and Suppliers available for inspection, copying, and auditing by RCTC and State representatives in accordance with Contract Section 29.2.4 for the same time frame specified under section 5-1.27B.

5-1.27D RESERVED

Reserved

5-1.27E RESERVED

5-1.28–5-1.28 RESERVED

5-1.29 JOB HAZARD ANALYSES

Prepare a job hazard analysis for each Work activity to be performed on the job site as required by CA Code of Regs § 3203(a)(4) and 1511(b).

Submit each job hazard analysis as an informational submittal.

Each job hazard analysis must identify the following:

1. Work activity description.
2. Existing and predictable hazards associated with the Work activity.
3. Hazard control measures, preventative, or corrective actions to be taken for the Work activity.

Submit each job hazard analysis at least 5 Business Days before the start of a Work activity. During the project safety reviews required under section 5-1.28, discuss job hazard analyses for active Work activities and Work activities planned to start within 5 Business Days.

Submit a revised job hazard analysis when equipment or methods change results in a change to the hazards previously identified. Submit a revised job hazard analysis within one working day of the identified change.

5-1.30 NONCOMPLIANT AND UNAUTHORIZED WORK

Correct or remove and replace any (1) unauthorized Work and (2) Nonconformances in the Work in accordance with the Nonconformance provisions set forth in Contract Section 9.4.

5-1.31 JOB SITE APPEARANCE

Keep the job Site neat. In areas visible to the public:

1. If practicable, dispose of debris removed during clearing and grubbing concurrently with its removal. If stockpiling is necessary, dispose of debris weekly.
2. Furnish trash bins for construction debris. Place the debris in trash bins daily.
3. For falsework to be reused, stack the forms neatly and concurrently with their removal.

5-1.32 NOT USED

5-1.33 EQUIPMENT

Legibly stencil or stamp at a clearly visible location on each piece of equipment except hand tools an identifying number and:

1. On compacting equipment, its make, model number, and empty gross weight that is either the manufacturer's rated weight or the scale weight.
2. On meters and on the load-receiving element and indicators of each scale, the make, model, serial number, and manufacturer's rated capacity.

Submit a list describing each piece of equipment and its identifying number.

Upon request, submit the manufacturer's information that designates portable vehicle scale capacities.

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For proportioning materials, use measuring devices, material plant controllers, and undersupports complying with section 9-1.02B.

Measuring devices must be tested and approved under California Test 109 in the Department's presence by any of the following:

1. County Sealer of Weights and Measures
2. Scale Service Agency
3. Official of the Division of Measurement Standards

The indicator over-travel must be at least 1/3 of the loading travel. The indicators must be enclosed against moisture and dust.

Group the measuring system dials such that the smallest increment for each indicator can be read from the location at which proportioning is controlled.

5-1.34–5-1.35 RESERVED

5-1.36 PROPERTY AND FACILITY PRESERVATION

5-1.36A General

Preserve and protect:

1. Highway improvements and facilities
2 Adjacent property
3. Waterways
4. ESAs
5. Lands administered by other agencies
6. Railroads and railroad equipment
7. Nonhighway facilities, including utilities
8. Survey monuments
9. Department's instrumentation
10 Temporary work
11. Roadside vegetation not to be removed

Comply with all applicable Governmental Rules, including Govt Code § 4216 et seq. and the requirements of the Contract, including TP Section 22.3.5, with respect to any excavation Work. Notify RCTC at least 3 Business Days before you contact the regional notification center. Failure to contact the notification center prohibits excavation.

Immediately report damage to RCTC. You are responsible for any damage caused by any DB-Related Entity.

The Department or RCTC may make a temporary repair to restore service to a damaged facility. Install suitable safeguards to preserve and protect facilities from damage. Install temporary facilities, such as sheet piling, cribbing, bulkheads, shores, or other supports, necessary to support existing facilities or to support material carrying the facilities.

Excavate and backfill as necessary to remove temporary facilities. Backfill with materials of equal or better quality and to a comparable density of surrounding materials and grade surface to match the existing grade and cross slope.

5-1.36B RESERVED

5-1.36C Nonhighway Facilities

5-1.36C(1) RESERVED

5-1.36C(2) Nonhighway Facility Protection

Reserved

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5-1.36C(3) Nonhighway Facility Rearrangement

RCTC may rearrange a nonhighway facility during the term of the Contract. Rearrangement of a nonhighway facility includes installation, relocation, alteration, or removal of the facility.

RCTC may authorize facility owners and their agents to enter the highway to perform rearrangement work for their facilities or to make connections or repairs to their property. Coordinate all activities and Work in accordance with the requirements of the Contract, including Section 4.2, to avoid delays.

5-1.36D Survey Monuments

Protect survey monuments on and off the highway. Upon discovery of a survey monument not identified and located by RCTC, immediately:

1. Stop work near the monument; and
2. Notify RCTC and comply with the requirements of the Contract, including TP Section 17.4.4.

Do not resume Work near the monument until authorized to do so by RCTC.

5-1.36E Landscape

If any DB-Related Entity damages plants that are not to be removed:

1. Dispose of them unless RCTC authorizes you to reduce them to chips and spread the chips within the highway at locations designated by RCTC.
2. Replace them.

Replace plants with plants of the same species.

Replace trees as required in TP Section 20.

Replace shrubs with no. 15-container shrubs.

Replace ground cover plants with plants from flats. Replace *Carpobrotus* ground cover plants with plants from cuttings. Plant ground cover plants 1 foot on center.

If a plant establishment or permanent erosion control establishment period is specified, replace plants before the start of the plant establishment or permanent erosion control establishment period; otherwise, replace plants at least 30 days before Final Acceptance.

Water each plant immediately after planting. Saturate the backfill soil around and below the roots or the ball of earth around the roots of each plant. Water as necessary to maintain plants in a healthy condition until Final Acceptance.

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5-1.36F Irrigation Facilities

Keep existing irrigation facilities in place that are described to be removed, relocated, or modified until RCTC determines they are no longer needed.

Maintain the existing water supply. If the existing water supply is interrupted for more than 3 consecutive days, provide an alternative water supply. Water the existing plants in the area irrigated from that water supply, including those maintained by RCTC, as necessary to maintain healthy plant growth.

If you and RCTC irrigate existing plants from the same water supply, furnish enough water to RCTC for watering plantings on and off the highway as necessary to maintain a healthy condition through Final Acceptance.

If you damage irrigation facilities that are not to be removed:

1. Repair or replace the damaged facilities within 10 days.
2. Use similar commercial-quality components from the same manufacturer or components that are compatible with the existing irrigation system if authorized by RCTC. Any changes to the existing equipment must be reviewed and approved by RCTC prior to installation.
3. After completing the repair or replacement of the facilities, perform an operational test in the presence of RCTC. If you repair or replace the remote control valves, conduct the test with the irrigation controller in the automatic mode.

Notify RCTC:

1. At least 4 Business Days before shutting off the water supply to any portion of the existing irrigation system.
2. Immediately after restoring the water supply to any portion of the existing irrigation system.

5-1.37 MAINTENANCE AND PROTECTION

5-1.37A General

Maintain and protect Work until RCTC has granted relief from maintenance or Final Acceptance has occurred.

Do not remove any padlock used to secure a portion of the Work until RCTC is present to replace it. Notify RCTC at least 3 Business Days before removing the lock.

Prevent construction equipment that exceeds the maximum weight limits in Veh Code Div 15 from operating on completed or existing treated base, pavement, or structures.

5-1.37B Load Limits

5-1.37B(1) General

For areas within the Project ROW and subject to the DB Contractor providing protective measures and repairing related damage, construction equipment exceeding the size or weight limits in Veh Code Div 15 may move over:

1. Public roads within the highway.
2. Treated base or pavement under construction or completed.
3. Culverts and pipes.
4. Structures not open to traffic that are designed for AASHTO HS20-44 live loading, except culverts and pipes. Before crossing one of these structures, submit the dimensions and maximum axle loadings of the equipment; and unless a material hauling equipment lane on a bridge is shown on the drawings, comply with the following specifications:
   - 4.1. The maximum loading on a bridge due to pneumatic-tired truck and trailer combinations must not exceed:
     - 4.1.1. 28,000 lb. for single axles
     - 4.1.2. 48,000 lb. for tandem axles
     - 4.1.3. 60,000 lb. total gross load for single vehicles
     - 4.1.4. 110,000 lb. total gross load for truck and trailer or semi-trailer combinations
   - 4.2. The loading on a bridge due to 2- and 3-axle pneumatic-tired earthmovers must not exceed that shown in the following table:

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Allowable Construction Loading on Bridges for 2- and 3-Axle Earthmovers

Bridge girder center-to-center spacing (feet)	Maximum axle loading (pounds)
4	28,000
5	29,000
6	30,000
7	32,000
8	34,000
9	37,000
10 and over	40,000

NOTE: Minimum axle spacing:
For 2-axle earthmovers:
Axles 1 to 2 = 20 feet

For 3-axle earthmovers:
Axles 1 to 2 = 8 feet
Axles 2 to 3 = 20 feet

5. Completed or existing base, pavement, and structures under the Department's *Transportation Permits Manual*, whether open to the public or not.

Loads imposed on existing, new, or partially completed structures must not exceed the load-carrying capacity of the structure or any portion of the structure as determined by AASHTO LRFD with interims and California Amendments, Design Strength Limit State II. The f'_c to be used in computing the load-carrying capacity must be the smaller of the following:

1. Actual compressive strength at the time of loading
2. Value of f'_c shown on the plans for that portion of the structure or 2.5 times the value of f_c shown on the plans for portions of the structure where no f'_c is shown

5-1.37B(2) RESERVED

5-1.37B(3) Material Hauling Equipment Lane on Bridges

Section 5-1.37B(3) applies to a bridge constructed with a material hauling equipment lane.

You may cross the bridge with pneumatic-tired material hauling equipment that exceeds the size and weight limits specified but that does not exceed the load limits shown on the "Material Hauling Equipment Loading" chart.

For each bridge with a material hauling equipment lane:

1. Construct a minimum 150-foot approach at each bridge end to a grade that provides a smooth transition to the bridge roadway grade. Maintain these approaches in a smooth and uniform condition during the operation of the equipment.
2. Operate equipment such that jolting and bouncing of the equipment while crossing the bridge is prevented.
3. Confine equipment to the material hauling equipment lane using temporary barriers unless the plans show that the entire bridge may be used for hauling equipment and the permanent barriers are completed.
4. Allow at most 1 piece of equipment on the bridge at one time.
5. Operate equipment at a maximum speed of 25 mph.

If requested by RCTC or the Department, verify the weight of loaded material hauling equipment by weighing it. The DB Contractor procures individual wheel or axle type scales. The DB Contractor weighs the equipment within the Project ROW and within the highway at a location accessible to the equipment. You shall determine the exact weighing location. Install and maintain the scales.

5-1.38 RESERVED

5-1.39 DAMAGE REPAIR AND RESTORATION

5-1.39A General

Before Final Acceptance, restore damaged Work to the same state of completion as before the damage.

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Restoration of damaged work includes restoration of erected falsework and formwork.

RCTC will not adjust payment for repair or restoration that RCTC determines was caused by your failure to construct the Work under the Contract or protect the Work.

5-1.39B NOT USED

5-1.39C Landscape Damage

5-1.39C(1) General

Repair slopes or other existing facilities that were damaged after starting job Site activities and before starting plant establishment or permanent erosion control establishment.

As requested by RCTC, replace plants that have been damaged from either or both of the following conditions:

1. Ambient air temperature falling below 32 degrees F during the Plant Establishment Period.
2. DB Contractor or its Subcontractor or Supplier restricting or stopping water delivery during the Plant Establishment Period.

This Plant Establishment Work is included in the Contract Price.

5-1.39C(2)–5-1.50 RESERVED

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6 CONTROL OF MATERIALS

6-1 GENERAL

6-1.01 GENERAL

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Section 6 includes specifications related to the control of materials.

Store materials and samples in a way that preserves the quality and facilitates prompt inspection.

Material incorporated into the Work must be new, except as provided elsewhere in this Contract.

Before the preconstruction conference, submit material source information on a Notice of Materials to be used form.

6-1.02 DEPARTMENT-FURNISHED MATERIALS

Submit a request to RCTC for Department-furnished materials (TP Attachment 1-4, Department-Furnished Materials) at least 180 days before their scheduled installation. RCTC will notify you when Department-furnished material is available.

If the Department furnishes the material:

1. At the job Site, inspect the material, unload and store the material.
2. At a location other than the job Site, inspect the material, deliver the material to the job Site and store it.

Department-furnished material will be available for pick-up at:

Department District 8
SHOP 8
175 W. Cluster Street
San Bernardino, CA 92408

You are liable, and you are responsible for paying RCTC for all Department-furnished materials, without right to claim an extension of time, additional compensation, other relief from performance of your obligations or otherwise make a Claim under the Contract for the value of any such Department-furnished materials, other than as included in the Contract Price.

You shall pay RCTC, as and when directed, and on such terms as required, by RCTC in connection with your procurement of Department-furnished materials.

You are responsible for the cost of replacing lost or damaged Department-furnished material. RCTC may deduct replacement costs in accordance with the terms of the Contract. Any Department-furnished material not used in the Work remains the property of RCTC.

6-1.03 LOCAL MATERIALS

6-1.03A General

Local material must be rock, sand, gravel, earth, or mineral material other than local borrow, or selected material obtained or produced from a source in the vicinity of the Work, specifically for use on the Project. Local borrow must not be a material from an established commercial source.

Upon your request, the Department will test material for quality characteristics from an untested local source. If satisfactory material from that source is used in the Work, RCTC will not charge you for the tests; otherwise, you are responsible for the testing costs and RCTC may deduct such costs in accordance with the terms of the Contract.

6-1.03B RESERVED

6-1.04 BUY AMERICA

6-1.04A RESERVED

6-1.04B Crumb Rubber (Pub Res Code § 42703(d))

Furnish crumb rubber with a certificate of compliance. Crumb rubber must be:

1. Produced in the United States.
2. Derived from waste tires taken from vehicles owned and operated in the United States.

6-1.04C Steel and Iron Materials

Steel and iron materials must be melted and manufactured in the United States except:

1. Foreign pig iron and processed, pelletized, and reduced iron ore may be used in the domestic production of the steel and iron materials.
2. If the total combined cost of the materials does not exceed the greater of 0.1 percent of the

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Contract Price or $2,500, materials produced outside the United States may be used if authorized.

Furnish steel and iron materials to be incorporated into the work with certificates of compliance and certified mill test reports. Mill test reports must indicate where the steel and iron were melted and manufactured.

All melting and manufacturing processes for these materials, including an application of a coating, must occur in the United States. Coating includes all processes that protect or enhance the value of the material to which the coating is applied.

6-1.05 SPECIFIC BRAND OR TRADE NAME AND SUBSTITUTION

A reference to a specific brand or trade name establishes a quality standard and is not intended to limit competition. You may use a product that is equal to or better than the specified brand or trade name if authorized by RCTC.

Submit a substitution request with a time period that:

1. Follows Contract award.
2. Allows RCTC 30 days for review.
3. Causes no delay to the Project Schedule.

Include substantiating data with the substitution request that proves that the proposed substitution:

1. Causes no delay to the Project Schedule.
2. Is of equal or better quality and suitability.

6-1.06 BUY CLEAN CALIFORNIA ACT

6-1.06A Summary

For projects with a total Contract Price over $1 million and that include 175 or more original working days, the materials or products shown in the following table are subject to the Buy Clean California Act (Pub Contract Code § 3500 et seq.):

Material or product	Material specifications
Carbon steel rebar[a]	Section 52-1.02B, "Bar Reinforcement" and Section 99, "Building Construction." Includes uncoated or ungalvanized bar reinforcement used in epoxy-coated or galvanized reinforcement applications.
Structural steel[b]	Section 55-1.02D(1), "General," – Structural Steel and Other Materials tables Section 56-2.02B(1), "General," Section 56- 2.02F, "Pipe Posts," and Section 99, "Building Construction." For hot-rolled, plate or hollow materials.
Flat glass[c]	Section 99, "Building Construction"
Mineral wool board insulation[d]	Section 99, "Building Construction"

[a]For each mill providing 20,000 pounds or more on the project.
[b]For each mill providing 5,000 pounds or more on the project.
[c]For each manufacturer providing 2,000 square feet or more on the project.
[d]For each manufacturer providing 4,000 square feet or more on the project.

An informal-bid contract is not subject to Buy Clean California Act requirements.

For carbon steel rebar and structural steel material subject to Buy Clean California Act, the source mill must be on the Authorized Material List for Buy Clean California Act compliant steel mills. Identify source mills on the Notice of Materials to be Used form submittals.

For flat glass and mineral wool board insulation subject to Buy Clean California Act, submit an environmental product declaration for each applicable material or product at least 15 days before scheduled installation. The global warming potential of each applicable material or product as evidenced by its environmental product declaration must not exceed the maximum acceptable global warming potential values established by the Department of General Services. Do not install the applicable material or product until the Submittal has been authorized. The maximum acceptable global warming potential for each category of material or product is published on the Department of General Services website at:

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https://www.dgs.ca.gov/

For product category rules for flat glass or mineral wool board insulation, refer to the METS website. Use the product category rule in effect on the date of bid opening unless otherwise authorized. An environmental product declaration for flat glass or mineral wool board is not required for either of the following conditions:

1. Applicable product category rule has expired without replacement as of the bid opening date.
2. Applicable product category rule was issued less than 100 days before the bid opening date.

Upon each jobsite shipment receipt of materials or products subject to these Buy Clean California Act requirements, DB Contractor shall report the represented quantity information using the Department's Data Interchange for Materials Engineering.

6-1.06B Definitions

environmental product declaration: Independently verified document created and verified under International Organization for Standardization (ISO) 14025 for Type III environmental declarations that identifies the global warming potential emissions of the facility-specific material or product through a product stage life cycle assessment.

product category rule: Program operator established rule based on the science of life cycle assessment that governs the development of the environmental product declaration for the material or product.

product stage: Boundary of the environmental product declaration that includes (1) raw material supply, (2) transportation processes, and (3) processing operations, including operations such as melting, mixing, milling, finishing, curing, cooling, trimming, packaging and loading for transport delivery. Commonly referred to as a "cradle-to-gate" life cycle assessment.

program operator: Independent agency that supervises and confirms the full environmental product declaration development process under ISO 14025.

raw material supply: Upstream processes which can include allocations, extraction, refinement, reclamation, handling, and processing of the constituents used in producing the material or product.

transportation processes: Includes transportation of raw, reclaimed, or recycled material constituents from the supplier to the gate of the manufacturer, producer, or fabricator. Includes transport of related waste products.

6-1.06C Submittals

You must register on the Department's Data Interchange for Materials Engineering at least 15 days before submitting either of the following:

1. Represented quantity information for materials or products subject to Buy Clean California Act.
2. Environmental product declarations for structural steel, flat glass, or mineral wool board insulation.

Follow the registration process at:

https://dime.dot.ca.gov/

Submit environmental product declarations for flat glass and mineral wool board insulation to the Department's Data Interchange for Materials Engineering and provide PDF copies to RCTC.

Submit certified mill test reports upon delivery of carbon steel rebar and structural steel materials to the project documenting their compliance. Fabricators of items containing carbon steel rebar or structural steel materials must have the certified mill test reports available for Department inspection prior to beginning fabrication. Do not incorporate these materials and products into the Work until compliant documentation has been provided to RCTC.

For each material or product subject to Buy Clean California Act requirements, complete the represented quantity information on the Department's Data Interchange for Materials Engineering within 5 Business Days of receipt of such material or product at the Project site.

Immediately notify RCTC if a program operator has determined their product category rule does not allow for development of a facility-specific environmental product declaration for flat glass or mineral

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wool board insulation. Include written correspondence from the program operator. If RCTC determines the development of a facility-specific environmental product declaration for flat glass or mineral wool board insulation cannot be achieved, an environmental product declaration will not be required for that material or product.

6-1.06D RESERVED

6-1.07 PROHIBITIONS ON MATERIALS, EQUIPMENT, AND SERVICES

6-1.07A RESERVED

6-1.07B Telecommunications and Video Surveillance Equipment or Services

Do not enter into, extend, or renew a contract to procure or obtain telecommunications and video surveillance equipment or services as described in 2 CFR 200.216 and 2 CFR 200.471.

Furnish telecommunications and video surveillance equipment with a certificate of compliance. The certificate must state telecommunications and video surveillance equipment was not procured or obtained from manufacturers identified in section 889 of the National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232).

6-1.07C–6-1.07G RESERVED

6-2 QUALITY PROGRAM

6-2.01 GENERAL

6-2.01A General

Section 6-2 includes provisions related to quality.

Work is subject to the Project's Quality Program in accordance with this Contract. The Quality Program does not relieve you of your responsibility to provide QC.

For a material specified to comply with a requirement for a quality characteristic shown in the following table, the quality characteristic is tested under the corresponding California Test:

California Tests

Quality characteristic	California Test
Relative compaction	216 or 231
Sand equivalent	217
Resistance (R-value)	301
Gradation (sieve analysis)	202
Durability index	229

6-2.01B Authorized Facility Audit Lists

Section 6-2.01B applies where a facility is specified to be on an Authorized Facility Audit List.

An audit authorized by the Department not more than 3 years before completion of the fabrication process is acceptable if the Department determines the audit was for the same type of work to be performed.

For procedures to be included on an Authorized Facility Audit List, refer to the Authorized Facility Audit List website.

6-2.01C Authorized Material Lists

Section 6-2.01C applies where a material is specified to be on an Authorized Material List.

The material must be on an Authorized Material List before it is incorporated into the Work.

For procedures to be included on an Authorized Material List, refer to the Authorized Material List website.

6-2.01D Authorized Material Source Lists

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Section 6-2.01D applies where a material is specified to be on an Authorized Material Source List.

The material source must be on an Authorized Material Source List before the item from the source is incorporated into the Work.

For procedures to be included on an Authorized Material Source List, refer to the Authorized Material Source List website.

6-2.01E Material Source Inspection and Testing

Section 6-2.01E applies if a material is to be inspected or tested at the source.

Submit an inspection request form to the Department and provide a copy of

each such request form to RCTC:

1. At least 3 Business Days before the requested inspection date for a material source within California.
2. At least 5 Business Days before the requested inspection date for a material source outside California but within the United States.
3. 50 days before the planned production start for a material source outside the United States. Notify RCTC at least 20 days before the actual start.

For the inspection request form and the procedure for its submittal, refer to the METS website. Notify RCTC of each Submittal.

For each item shown in the following table, RCTC will deduct the corresponding amount shown in accordance with the terms of the Contract:

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Source Inspection Expense Deductions

Item	Distance[a]	Deduction
Steel pipe piling Prestressing system Tier 1 and tier 2 precast concrete members Epoxy-coated reinforcement Structural steel for sign structures Miscellaneous metal	> 300	$5,000
	> 3,000	$8,000
Extinguishable message signs Variable message signs Changeable message signs Service equipment enclosures Telephone demarcation cabinets Closed circuit television cabinets Weigh-in-motion cabinets Highway advisory radio cabinets	> 300	$2,000
Poles for electrical systems	> 300	$1,000 for ≤ 10 poles and $1,000 for every multiple of 10 poles thereafter
Structural steel	> 300	The greater of: 1. $5,000 2. $0.02/lb.
	> 3,000	The greater of: 1. $8,000 2. $0.036/lb.
Structural steel paint	> 300	The greater of: 1. $2,000 2. $0.01/sq ft
	> 3,000	The greater of: 1. $5,000 2. $0.015/sq ft
Test samples for plates, shapes, and bars	> 300	$2,000
High mast poles	> 300	$2,500
	> 3,000	$5,000
PTFE bearings, ≤ 2 lots	> 300	$5,000
	> 3,000	$15,000
PTFE bearings, > 2 lots	> 300	$10,000
	> 3,000	$20,000

[a]Distance is airline miles from both Sacramento and Los Angeles to the inspection source.

6-2.01F Test Samples

Section 6-2.01F applies where a test sample is specified or if a test sample is requested.

Notify RCTC 10 days before taking a sample.

Submit material to be tested with a Sample Identification Card. For the card, refer to the METS website.

Restore Work immediately after sampling.

If requested by RCTC, obtain RCTC's authorization for the material before incorporating the material represented by the test sample into the Work.

6-2.01G–6-2.01K

R E S E R V E D

6-2.02 QUALITY CONTROL

6-2.02A General

Material production and testing equipment must measure accurately and precisely.

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6-2.02B Quality Control Program

Develop, implement, and maintain a QC program.

Prepare and maintain QC records, including:

1. Names and qualifications of:
   1.1. Samplers
   1.2. Testers
   1.3. Inspectors
2. Testing laboratories' identification and certifications
3. Testing equipment calibrations and certifications
4. Inspection reports
5. Sampling and testing records organized by date and type of material
6. Test results with comparison of quality characteristic requirements
7. Test results in relation to action and any suspension limits
8. Records of corrective actions and suspensions

Within 24 hours, notify RCTC of any noncompliance identified by your QC program. Allow

RCTC access to all QC records.

Submit QC test data and QC test results to RCTC within 2 Business Days of test completion.

6-2.02C RESERVED

6-2.02D RESERVED

6-2.03 RCTC ACCEPTANCE

6-2.03A General

RCTC and/or Department may use multiple quality verification methods for a material.

RCTC and/or Department may inspect, sample, and test materials for compliance with this Contract at any time.

Allow RCTC and/or Department to record, including photograph and video, to ensure a material is produced to comply with the Contract.

You may examine the records and reports of tests RCTC and/or Department performs. Schedule Work to allow time for RCTC and/or Department's inspection, sampling, and testing. You shall be responsible for all testing costs for Work that does not comply with the Contract, and RCTC may deduct such testing costs in accordance with the Contract. RCTC and/or Department may retest material previously tested and authorized for use. If RCTC notifies you of a retest, furnish all resources necessary for retesting.

6-2.03B Job Site Inspection and Testing

Section 6-2.03B applies if a material is to be inspected or tested at the job Site.

The material must be authorized for use by RCTC before it is incorporated into

the Work.

6-2.03C Certificates of Compliance

Section 6-2.03C applies (1) where a certificate of compliance is specified or (2) if any material is produced outside the United States.

Submit a certificate of compliance:

1. Before the material is incorporated into the Work.
2. For each lot of the material. Identify the applicable lot of the material on the certificate.
3. Signed by the producer of the material and stating that the material complies with this Contract.

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7 LEGAL RELATIONS AND RESPONSIBILITY TO THE PUBLIC

7-1.01 GENERAL

Section 7 includes specifications related to your:

1. Compliance with laws
2. Responsibilities for public safety and convenience
3. Responsibilities for indemnification, insurance, and liability

7-1.02 LAWS

7-1.02A General

Comply with all Governmental Rules applicable to the Project and the Work. Immediately report to RCTC any discrepancy or inconsistency between this Contract and any Governmental Rule.

Immediately notify RCTC if a Governmental Entity requests access to the job Site or to Project records. Submit to RCTC a list of documents provided to the Governmental Entity and issued enforcement actions.

7-1.02B US Fair Labor Standards Act

Comply with 29 USC § 201 et seq.

7-1.02C Emissions Reduction

Submit to the Department the following certification before performing the Work:

> I am aware of the emissions reduction regulations being mandated by the California Air Resources Board. I will comply with such regulations before commencing the performance of the Work and maintain compliance throughout the term of this Contract.

Execution of the Phase 2 Amendment constitutes submittal of this certification.

7-1.02D Unmanned Aircraft Systems

Comply with 14 CFR 107 when operating Unmanned Aircraft Systems (UAS) in the proximity of the highway.

Submit the following to RCTC and https://app.smartsheet.com/b/form/7ad42b76ef9e4f37ba2978520f1b1a5f as an informational submittal at least 7 days before initial operation of any UAS:

1. UAS remote pilot information
    - 1.1. Pilot's full name
    - 1.2. Pilot's contact information
        - 1.2.1. Phone number
        - 1.2.2. Email address
    - 1.3. Pilot's certification information
        - 1.3.1. Certificate issuance date
        - 1.3.2. Certificate expiration date
2. UAS information
    - 2.1. UAS manufacturer
    - 2.2. UAS model
    - 2.3. Registration number
    - 2.4. Registration issuance date
    - 2.5. Registration expiration date

Maintain records of UAS flights. Submit a post-flight record as an informational submittal to RCTC and https://app.smartsheet.com/b/form/5e34deda3bd24f8f8397d895275ecbec within 1 Business Day of each flight. The post-flight record must include the following:

1. Flight date
2. Flight duration
3. Visual observer name and contact information
4. Purpose of flight

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5. UAS Hazard Analysis Contractor/Consultant form, as an attachment
6. Description of any accidents or incidents, if applicable

Do not operate UAS over the traveled way unless preauthorized in writing by RCTC. Launch and land UAS at least 50 feet from the edge of live traffic.

7-1.02E–7-1.02H Reserved

7-1.02I Government Code

7-1.02I(1) RESERVED

7-1.02I(2) Nondiscrimination

Under 2 CA Code of Regs § 11105:

1. During the performance of this Contract, the recipient, DB Contractor, and its Subcontractors shall not deny the Contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. The contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.
2. DB Contractor shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, § 12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code, §§ 11135-11139.8), and the regulations or standards adopted by the awarding state agency to implement such article.
3. The DB Contractor or recipient shall permit access by representatives of the Civil Rights Department and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause.
4. Recipients, DB Contractor and its Subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
5. The DB Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.

Under 2 CA Code of Regs § 11122:

STANDARD CALIFORNIA NONDISCRIMINATION CONSTRUCTION CONTRACT SPECIFICATIONS (GOV. CODE SECTION 12990)

These specifications are applicable to all state contractors and subcontractors having a construction contract or subcontract of $5,000 or more.

1. As used in the specifications:
   a. "Act" means the Fair Employment and Housing Act.
   b. "Administrator" means Administrator, Office of Compliance Programs, California Civil Rights Department, or any person to whom the Administrator delegates authority;
2. Whenever the contractor or any subcontractor subcontracts a portion of the work, it shall include in each subcontract of $5,000 or more the nondiscrimination clause in this contract directly or through incorporation by reference. Any subcontract for work involving a construction trade shall also include the Standard California Construction Contract Specifications, either directly or through incorporation by reference.

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3. The contractor shall implement the specific nondiscrimination standards provided in paragraphs 6(a) through (e) of these specifications.
4. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the contractor has a collective bargaining agreement, to refer members of any group protected by the Act shall excuse the contractor's obligations under these specifications, Government Code section 12990, or the regulations promulgated pursuant thereto.
5. In order for the nonworking training hours of apprentices and trainees to be counted, such apprentices and trainees must be employed by the contractor during the training period, and the contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor or the California Department of Industrial Relations.
6. The contractor shall take specific actions to implement its nondiscrimination program. The evaluation of the contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The contractor must be able to demonstrate fully its efforts under steps a. through e. below:
    a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and at all facilities at which the contractor's employees are assigned to work. The contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the contractor's obligations to maintain such a working environment.
    b. Provide written notification within seven days to the director of the CRD when the referral process of the union or unions with which the contractor has a collective bargaining agreement has impeded the contractor's efforts to meet its obligations.
    c. Disseminate the contractor's equal employment opportunity policy by providing notice of the policy to unions and training, recruitment and outreach programs and requesting their cooperation in assisting the contractor to meet its obligations; and by posting the company policy on bulletin boards accessible to all employees at each location where construction work is performed.
    d. Ensure all personnel making management and employment decisions regarding hiring, assignment, layoff, termination, conditions of work, training, rates of pay or other employment decisions, including all supervisory personnel, superintendents, general foremen, on-site foremen, etc., are aware of the contractor's equal employment opportunity policy and obligations, and discharge their responsibilities accordingly.
    e. Ensure that seniority practices, job classifications, work assignments, and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the equal employment opportunity policy and the contractor's obligations under these specifications are carried out.
7. Contractors are encouraged to participate in voluntary associations that assist in fulfilling their equal employment opportunity obligations. The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under these specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on equal employment opportunity in the industry, ensures that the concrete benefits of the program are reflected in the contractor's workforce participation, and can provide access to documentation that demonstrates the effectiveness of actions taken on behalf of the contractor. The obligation to comply, however, is the contractor's.
8. The contractor is required to provide equal employment opportunity for all persons. Consequently, the contractor may be in violation of the Fair Employment and Housing Act (Government Code section 12990 et seq.) if a particular group is employed in a substantially disparate manner.
9. The contractor shall not use the nondiscrimination standards to discriminate against any person because race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.

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10. The contractor shall not enter into any subcontract with any person or firm decertified from state contracts pursuant to Government Code section 12990.
11. The contractor shall carry out such sanctions and penalties for violation of these specifications and the nondiscrimination clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Government Code section 12990 and its implementing regulations by the awarding agency. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Government Code section 12990.
12. The contractor shall designate a responsible official to monitor all employment related activity to ensure that the company equal employment opportunity policy is being carried out, to submit reports relating to the provisions hereof as may be required by OCP and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, status, (e.g., mechanic, apprentice trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in any easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

7-1.02J RESERVED

7-1.02K Labor Code

7-1.02K(1) General

Work on the job Site must comply with Labor Code §1720 et seq. and 8 CA Code of Regs § 16000 et seq. Work includes roadside production and processing of materials and hauling and delivery of ready-mixed concrete.

Payroll records include time cards, canceled checks, cash receipts, trust fund forms, books, documents, schedules, forms, reports, receipts or other information which reflect job assignments, work schedules by days and hours, and the disbursement of payment to workers (8 CA Code of Regs § 16000).

7-1.02K(2) Wages

RCTC has obtained the general prevailing rate of wages applicable to the Work to be done. The rate includes:

1. Basic hourly rate
2. Employer payments for health and welfare, pension, vacation, apprenticeship training fees, travel time, and subsistence pay as provided for in Labor Code § 1773.1
3. Similar purposes

The general prevailing wage rates and any applicable changes to these wage rates are available:

1. At the RCTC's Labor Compliance Office of the district in which the Work is located
2. From the Department of Industrial Relations' website

Post the general prevailing wage rates at a prominent place at the job Site (Labor Code § 1773.2).

The wage determinations refer to expiration dates. The determinations with a single asterisk after the expiration date, and in effect on the date of advertisement for bids, are good for the life of the Contract. The determinations with double asterisks after the expiration date indicate the wage rate to be paid for work performed after this date has been determined. If work is to extend past this date, pay the new rate and incorporate it into the Contract. Changes in general prevailing wage determinations apply to the Contract when the Director of Industrial Relations has issued them at least 10 days before advertisement. (Labor Code § 1773.6 and 8 CA Code of Regs 16204)

RCTC does not recognize any claim for additional payment because of a payment by the DB Contractor of any wage rate in excess of the prevailing wage rate specified in the Contract.

The DB Contractor and any Subcontractor must forfeit to RCTC not more than $200 per day or part of a day for each worker paid less than the prevailing wage rate and pay the worker the difference between the prevailing wage rate and the rate paid (Labor Code § 1775). The Labor Commissioner determines the amount of this penalty and bases the amount on:

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1. Whether the failure to pay the correct prevailing wage rate was a good-faith mistake that the DB Contractor or Subcontractor promptly and voluntarily corrected upon notice
2. Prior record of the DB Contractor or Subcontractor in meeting its prevailing wage obligations
3. DB Contractor or Subcontractor's willful failure to pay the correct rate of prevailing wages

If a worker employed by a Subcontractor on a public works project is not paid the general prevailing per diem wages by the Subcontractor, the DB Contractor is not liable for the penalties described in section 7-1.02K(2) unless the DB Contractor had knowledge of the failure to pay the correct general prevailing per diem wages or unless the DB Contractor fails to comply with the following requirements (Labor Code § 1775):

1. The contract executed between the DB Contractor and the Subcontractor for the performance of work on the public works project must include a copy of the requirements in Labor Code §§ 1771, 1775, 1776, 1777.5, 1813, and 1815.
2. The DB Contractor must monitor the payment of the specified general prevailing rate of per diem wages by periodic review of the certified payroll records of the Subcontractor.
3. Upon becoming aware of the Subcontractor's failure to pay the specified prevailing rate of wages to the Subcontractor's workers, the DB Contractor must diligently take corrective action to stop or rectify the failure, including withholding sufficient funds due the Subcontractor for work performed on the public works project.
4. Before making final payment to the Subcontractor for work performed on the public works project, the DB Contractor must obtain an affidavit signed under penalty of perjury from the Subcontractor that the Subcontractor has paid the specified general prevailing rate of per diem wages to its employees on the public works project and any amounts due under Labor Code § 1813.

Under Labor Code § 1775, RCTC must notify the DB Contractor on a public works project within 15 days of receipt by RCTC of a complaint of the failure of a Subcontractor on that public works project to pay workers the general prevailing rate of per diem wages.

7-1.02K(3) Certified Payroll Records (Labor Code § 1776)

Keep accurate payroll records.

Submit a copy of your certified payroll records, weekly, including those of Subcontractors that include:

1. Each employee's:
   - 1.1. Full name
   - 1.2. Address
   - 1.3. Last four digits of social security number pursuant to Labor Code § 226(a)
   - 1.4. Work classification
   - 1.5. Straight time and overtime hours worked each day and week
   - 1.6. Actual wages paid for each day to each:
     - 1.6.1. Journeyman
     - 1.6.2. Apprentice
     - 1.6.3. Worker
     - 1.6.4. Other employee employed by you or a Subcontractor for the Work
   - 1.7. Pay rate
   - 1.8. Itemized deductions made
   - 1.9. Check number issued
2. Apprentices and the apprentice-to-journeyman ratio

Each certified payroll record must include a Statement of Compliance form signed under penalty of perjury that declares:

1. Information contained in the payroll record is true, correct, and complete
2. Employer has complied with the requirements of sections 1771, 1811, and 1815 for any work performed by his or her employees on the public works project
3. Wage rates paid are at least those required by this Contract

RCTC will allow the use of a form with identical wording as the Statement of Compliance form provided by the Department.

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Submitted certified payrolls for hauling and delivering ready-mixed concrete must be accompanied by a written time record. The time record must include:

1. Truck driver's full name and address
2. Name and address of the factory or batching plant
3. Time the concrete was loaded at the factory or batching plant
4. Time the truck returned to the factory or batching plant
5. Truck driver's signature certifying under penalty of perjury that the information contained in this written time record is true and correct

Submit certified payroll records electronically using the Department's contracted certified payroll internet system LCPtracker Pro. For information on submittal of certified payroll records using LCPtracker Pro, refer to the LCPtracker website:

https://www.lcptracker.com/solutions/lcptracker

Request a user account for its designated representative by submitting LCPtracker Vendor Access Request form.

Make certified payroll records available for inspection at all reasonable hours at your main office on the following basis:

1. Upon the employee's request or upon request of the employee's authorized representative, make available for inspection a certified copy of the employee's payroll record.
2. Refer the public's requests for certified payroll records to the Department. Upon the public's request, the Department will make available for inspection or furnish copies of your certified payroll records. Do not give the public access to the records at your main office.

Make all payroll records, including the last four digits of the employee's social security number, available for inspection and copying or furnishing a copy upon request of a representative of the:

1. RCTC
2. Division of Labor Standards Enforcement of the Department of Industrial Relations
3. Division of Apprenticeship Standards of the Department of Industrial Relations

Furnish RCTC the location of the records, including the street address, city, and county. Furnish RCTC a notification of a location and address change within 5 Business Days of the change.

Comply with a request for the records within 10 days after you receive a written request. If you do not comply within this period, RCTC will withhold from the monthly progress payment a $100 penalty for each day or part of a day for each worker until you comply. You will not be assessed this penalty for a Subcontractor’s failure to comply with Labor Code § 1776.

RCTC will withhold from progress payments for delinquent or inadequate records (Labor Code § 1771.5). If you have not submitted an adequate record by the month's 15th day for the period ending on or before the 1st of that month, RCTC will withhold up to 10 percent of the monthly progress payment, exclusive of mobilization. RCTC will not withhold more than $10,000 or less than $1,000.

7-1.02K(4) Apprentices

Comply with the apprentice to journeyman ratio requirements (Labor Code § 1777.5(g)).

Comply with the training contribution requirements (Labor Code § 1777.5(m)(1)).

For answers to questions, contact the Division of Apprenticeship Standards before starting work.

RCTC will deduct from the monthly progress payments civil penalties assessed by the Chief of the Division of Apprenticeship Standards for violating Labor Code § 1777.5 (Labor Code § 1777.7).

7-1.02K(5) Working Hours

Eight hours is a legal day's work (Labor Code § 1810).

The time of service of any worker employed on public work is limited and restricted to 8 hours in 1 day

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and 40 hours in 1 calendar week, except as provided by Labor Code § 1815 (Labor Code § 1811).

A DB Contractor's employee may work more than 8 hours per day and 40 hours per week if the DB Contractor pays the employee 1-1/2 times the basic pay rate for the hours worked in excess of 8 hours per day and 40 hours per week (Labor Code § 1815).

For each worker employed in the work for each day the worker works more than 8 hours in 1 day and 40 hours in 1 calendar week without overtime pay, RCTC will deduct $25 from the monthly progress payment as a penalty for violating Labor Code § 1815 (Labor Code § 1813).

7-1.02K(6) Occupational Safety and Health Standards

7-1.02K(6)(a) General

Comply with applicable occupational safety and health standards, rules, regulations, and orders. The Occupational Safety and Health Standards Board is the only agency authorized in the State to adopt and enforce occupational safety and health standards (Labor Code § 142 et seq.).

You must contact the local public health service department for information concerning public health conditions within the area of the project.

You are the controlling employer and must ensure hazardous conditions are corrected (Labor Code § 6400).

RCTC may notify Cal/OSHA if you fail to establish or maintain a safe and healthful workplace.

Submit copies of your Injury and Illness Prevention Program, Code of Safe Practices, and permits required by Cal/OSHA to RCTC. The program must address the use of personal and company-issued electronic devices during work. Do not allow the use of entertainment and personal communication devices in the Work zone. Workers may use a communication device for business purposes in the Work area, at a location where their safety and the safety of other workers and the traveling public is not compromised.

RCTC is not responsible for the health and safety of:

1. DB Contractor's personnel
2. Subcontractor's personnel
3. Supplier's personnel
4. Any other person present at the job Site at the request of you or your Subcontractors.

7-1.02K(6)(b) Excavation Safety

Comply with Labor Code § 6705 while excavating. For an excavation 5 feet or more in depth, submit shop drawings for a protective system.

The drawings must show the design and details for providing worker protection from caving ground during excavation.

Shop drawings of protective systems for which the Construction Safety Orders require design by a registered professional engineer must be sealed and signed by an engineer who is registered as a civil engineer in the State.

The submittal must allow review time and include the contents shown in the following table except the review time is 65 days for an excavation on or affecting railroad property:

Drawing Review Time and Contents

Topic	Plan not requiring a signature	Plan requiring a signature
Review time	5 Business Days before excavating	20 days before excavating
Contents	Drawings Calculations Material information Proprietary system information	Drawings Calculations Material information Proprietary system information Soil classification Soil properties Soil design calculations

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7-1.02K(6)(c) Tunnel Safety

Cal/OSHA classifies tunnels into one of the following classifications:

1. Nongassy
2. Potentially gassy
3. Gassy
4. Extrahazardous

If a tunnel location is described in the Contract, the classification is included in the *Information Handout* and you must:

1. Designate an on-site Safety Representative under 8 CA Code of Regs § 8406
2. Submit the name of your on-site Safety Representative at least 7 days before starting Work at each tunnel
3. Prominently post a notice at the job Site of:
   3.1. Tunnel classifications
   3.2. Any special orders, rules, special conditions, or regulations related to tunnel work
4. Ensure your workers are informed of these classifications

Notify RCTC at least 20 days before a worker enters a tunnel not described in this Contract. RCTC will obtain the classification of the tunnel. RCTC may suspend the Work because of a change directly resulting from the DB Contractor's planned activities that causes activities to fall under the Tunnel Safety Orders of 8 CA Code of Regs § 8422.

7-1.02K(6)(d) Confined Space Safety

Comply with 8 CA Code of Regs § 5158 while working in a confined space.

7-1.02K(6)(e) - 7-1.02K(6)(j)(i) RESERVED

7-1.02K(6)(j)(ii) Lead Compliance Plan

Section 7-1.02K(6)(j)(ii) applies for the lead compliance plan.

Regulations containing specific Cal/OSHA requirements when working with lead include 8 CA Code of Regs § 1532.1.

Submit a plan:

1. That documents your compliance program to prevent or minimize worker exposure to lead
2. Including the items listed in 8 CA Code of Regs § 1532.1(e)(2)(B)
3. Sealed and signed by a CIH with knowledge of and experience complying with 8 CA Code of Regs

Allow 7 days for RCTC's review. Obtain RCTC's authorization for the plan before starting any activity that presents the potential for lead exposure.

Before starting any activity that presents the potential for lead exposure to employees who have no prior training, including RCTC and State employees, provide a safety training program to these employees that complies with 8 CA Code of Regs § 1532.1 and your lead compliance plan.

Submit to RCTC copies of air monitoring or job Site inspection reports made by or under the direction of the CIH under 8 CA Code of Regs § 1532.1 within 10 days after the date of monitoring or inspection.

Supply personal protective equipment, training, and washing facilities required by your lead compliance plan for 5 RCTC and/or State employees.

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7-1.02K(6)(j)(iii) - 7-1.02L(1) RESERVED

7-1.02L(2) Antitrust Claims

In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the DB Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with § 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the DB Contractor, without further acknowledgment by the parties. [Pub Cont Code § 7103.5 (b)]

7-1.02M (2) RESERVED

7-1.02M(3) Surface Mining and Reclamation Act

Imported borrow or aggregate material must come from a surface mine permitted under the Surface Mining and Reclamation Act of 1975, Pub Res Code § 2710 et seq., or from a source not subject to this act.

For the list of permitted sites, refer to the Department of Conservation, Division of Mine Reclamation website.

If you import borrow or aggregate material from a surface mine not on this list, submit proof that the source is not subject to this act.

7-1.02M(4)–7-1.02M(7) RESERVED

7-1.02N RESERVED

7-1.02O Vehicle Code

Under Veh Code § 591, RCTC determines which areas within the Project limits that are open to public traffic. For those areas, comply with the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Veh Code.

Veh Code § 591 does not relieve you or any other person from the duty of exercising due care.

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7-1.02P–7-1.02Z RESERVED

7-1.03 PUBLIC CONVENIENCE

Compliance with section 7-1.03 does not relieve you of your responsibility for public safety.

Construction activities must not inconvenience the public or abutting property owners. Coordinate construction activities affecting property owners 14 days prior to any impact to the property owners and provide property owner the time and duration of impact, potential alternative access routes, and other information appropriate for the impact. Schedule and conduct Work to avoid unnecessary inconvenience to the public and abutting property owners. Avoid undue delay in construction activities to reduce the public's exposure to construction.

Where possible, route traffic on new or existing paved surfaces.

Maintain convenient access to driveways, houses, and buildings. When an abutting property owner's access across the right-of-way line is to be eliminated or replaced under this Contract, the existing access must not be closed until the replacement access facility is usable. Construct temporary approaches to a crossing and an intersecting highway.

Provide a reasonably smooth and even surface for use by traffic at all time during the excavation of a roadway and construction of an embankment. Before other grading activities, place fill at culverts and bridges to allow traffic to cross. If ordered by RCTC, excavate a roadway cut in layers and construct an embankment in partial widths at a time alternating construction from one side to the other and routing traffic over the side opposite the one under construction. Install or construct culverts on only 1/2 the width of the traveled way at a time and keep the traveled way portion being used by traffic open and unobstructed until the opposite side of the traveled way is ready for use by traffic.

Upon completion of rough grading or placing any subsequent layer, bring the surface of the roadbed to a smooth and even condition, free of humps and depressions, and satisfactory for the use of the public.

After subgrade preparation for a specified layer of material has been completed, repair any damage to the roadbed or completed subgrade, including damage caused by public use.

While subgrade and paving activities are underway, allow the public to use the shoulders. If half-width paving methods are used, allow the public to use the side of the roadbed opposite the one under construction. If enough width is available, keep open a passageway wide enough to accommodate at least 2 lanes of traffic at locations where subgrade and paving activities are underway. Shape shoulders or reshape subgrade as necessary to accommodate traffic during subgrade preparation and paving activities.

Apply a dust palliative for the prevention or alleviation of dust nuisance.

If a height differential of more than 0.04 foot is created by construction activities at a joint transverse to the direction of traffic on the traveled way or a shoulder subject to public traffic, construct a temporary taper at the joint with a slope complying with the requirements shown in the following table:

Temporary Tapers

Height differential (foot)	Slope (horizontal:vertical)	
	Taper use of 14 days or less	Taper use of more than 14 days
Greater than 0.08	100:1 or flatter	200:1 or flatter
0.04–0.08	70:1 or flatter	70:1 or flatter

For a taper on existing asphalt concrete or concrete pavement, construct the taper with minor HMA under section 39-2.07.

Grind existing surfaces to accommodate a minimum taper thickness of 0.10 foot under either of the following conditions:

1. HMA material such as rubberized HMA, polymer-modified bonded wearing course, or open-graded friction course is unsuitable for raking to a maximum 0.02 foot thickness at the edge
2. Taper will be in place for more than 14 days

For a taper on a bridge deck or approach slab, construct the taper with rapid setting concrete under

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section 60-3.02B(2) or polyester concrete under section 60-3.04B(2). Prepare the surface to receive the taper under section 60-3.02C(7). For tapers with aggregate fillers, rake conform edges to ensure smooth transitions. Cure the taper for at least 3 hours or the minimum time recommended by the manufacturer before opening to traffic.

The completed surface of the taper must be uniform and must not vary more than 0.02 foot from the lower edge of a 12-foot straightedge when placed on its surface parallel and perpendicular to traffic.

If authorized, you may use alternative materials or methods to construct the required taper.

Install signs, lights, flares, temporary barrier system, barricades, and other facilities to direct traffic. Provide flaggers whenever necessary to direct the movement of the public through or around the Work.

7-1.04 PUBLIC SAFETY

You are responsible to provide for public safety.

Do not construct a temporary facility that interferes with the safe passage of traffic.

Control dust resulting from the work, inside and outside the right-of-way.

Move workers, equipment, and materials without endangering traffic.

Whenever your activities create a condition hazardous to the public, furnish, erect and maintain those fences, temporary barrier system, barricades, lights, signs, and other devices and take any other necessary protective measures to prevent damage or injury to the public.

Any fences, temporary barrier system, barricades, lights, signs, or other devices furnished, erected and maintained by you are in addition to those for which payment is provided elsewhere in the specifications.

Provide flaggers whenever necessary to ensure that the public is given safe guidance through the work zone. Flagging must comply with section 12-1.

At locations where traffic is being routed through construction under one-way controls, move your equipment in compliance with the one-way controls unless otherwise ordered.

Use of signs, lights, flags, or other protective devices must comply with the *California MUTCD* and any directions of RCTC. Signs, lights, flags, or other protective devices must not obscure the visibility of, nor conflict in intent, meaning, and function of either existing signs, lights and traffic control devices, or any construction area signs.

Keep existing traffic signals and highway lighting in operation.

Cover signs that direct traffic to a closed area. Except for work specified in section 12, maintaining, and removing the covers on construction area signs is included in the Contract Price.

Install temporary illumination such that the illumination and the illumination equipment do not interfere with public safety. The installation of general roadway illumination does not relieve you from furnishing and maintaining any protective devices.

Equipment must enter and leave the highway via existing ramps and crossovers and must move in the direction of traffic. All movements of workers and construction equipment on or across lanes open to traffic must be performed in a manner that do not endanger the public. Your vehicles or other mobile equipment leaving an open traffic lane to enter the construction area must slow down gradually in advance of the location of the turnoff to give the traffic following an opportunity to slow down. When leaving a work area and entering a roadway carrying traffic, your vehicles and equipment must yield to traffic. Compensation for flaggers, used for all movement of workers and construction vehicles and equipment on or across lanes open to traffic, is included in the Contract Price.

Immediately remove hauling spillage from a roadway lane or shoulder open to traffic. When hauling on roadways, trim loads and remove material from shelf areas to minimize spillage.

Notify RCTC not less than 25 days and not more than 125 days before the anticipated start of an activity that will change the vertical or horizontal clearance available to traffic, including shoulders.

If vertical clearance is temporarily reduced to 15.5 feet or less, place low clearance warning signs in compliance with the *California MUTCD* and any directions of RCTC. Signs must comply with the

dimensions, color, and legend requirements of the *California MUTCD* and section 12-3.11 except that the signs must have black letters and numbers on an orange retroreflective background. W12-2P signs must be illuminated so that the signs are clearly visible.

Pave or provide full width continuous and cleared wood walks for pedestrian openings through falsework. Protect pedestrians from falling objects and concrete-curing water. Extend overhead protection for pedestrians at least 4 feet beyond the edge of the bridge deck. Illuminate all pedestrian openings through falsework. Temporary pedestrian facilities must comply with the *California MUTCD*, Part 6, Chapter 6D, "Pedestrian and Worker Safety."

Do not store vehicles, material, or equipment in such a way that:

1. Creates a hazard to the public.
2. Obstructs traffic control devices.

Do not install or place temporary facilities used to perform the work which interfere with the free and safe passage of traffic.

Temporary facilities that could be a hazard to public safety if improperly designed must comply with design requirements described in the Contract for those facilities or, if none are described, with standard design criteria or codes appropriate for the facility involved. Submit shop drawings and design calculations for the temporary facilities and show the standard design criteria or codes used. Shop drawings and supplemental calculations must be sealed and signed by an engineer who is registered as a civil engineer in the State.

If you appear to be neglectful or negligent in furnishing warning devices and taking protective measures, RCTC may direct your attention to the existence of a hazard. You must furnish and install the necessary warning devices. If the RCTC points out the inadequacy of warning devices and protective measures, that action on the part of RCTC does not relieve you from your responsibility for public safety or abrogate your obligation to furnish and pay for these devices and measures.

Install temporary barrier systems or other authorized protective systems under any of the following conditions:

1. Excavations: Where the near edge of the excavation is within 15 feet from the edge of an open traffic lane.
2. Temporarily unprotected permanent obstacles: When the Work includes the installation of a fixed obstacle together with a protective system, such as a sign structure together with protective railing, and you elect to install the obstacle before installing the protective system; or you, for your convenience and as authorized by RCTC, remove a portion of an existing protective railing at an obstacle and do not replace such railing completely the same day.
3. Storage areas: When material or equipment is stored within 15 feet of the edge of an open traffic lane and the storage is not otherwise prohibited by this Contract.
4. Height differentials: When construction operations create a height differential greater than 0.15 feet within 15 feet of the edge of traffic lane.

Installation of temporary barrier system is not required if an excavation within 15 feet from the edge of an open traffic lane is protected by any of the following:

1. Steel plate or concrete covers of adequate thickness to prevent accidental entry by traffic or the public.
2. Side slope where the downhill slope is 4:1 (horizontal:vertical) or less unless a naturally occurring condition.
3. Barrier or railing.

Secure temporary barrier system in place before starting Work for which the temporary barrier system is required.

If a traffic lane is closed with channelizers for excavation Work, move the devices to the adjacent edge of the traveled way when not excavating. Space the devices as specified for the closure.

Do not move or temporarily suspend anything over a traffic lane open to the public unless the public is protected.

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7-1.05 - 7-1.07A RESERVED

7-1.07B Seal Coat Claims

Pay for claims for personal property damage caused by screening and bituminous binder. Seal coat claims are limited to:

1. 10 percent of the total Contract Price.
2. Damage occurring between the 1st day of screening spreading and 4 days after the last day of screening spreading for each seal coat location.

Within 30 days of the last screening spreading, do the following:

1. Process and resolve all seal coat claims reported or submitted to you by the public as follows:
   1.1. Within 3 Business Days of receipt of a claim, submit to RCTC a copy of the claim, a written analysis of the claim, and a statement indicating whether or not you will pay the claim. If you reject a claim, provide the reasons for rejection in writing.
   1.2. If the claimant becomes dissatisfied with your handling of the claim, immediately refer the claimant to the local district claims office for assistance in resolving the claim.
2. Submit to RCTC evidence of your paid seal coat claims.

All seal coat claims presented to RCTC, any district claims office, or the State Board of Control (Govt Code § 900 et seq.) will be processed and resolved by RCTC as follows:

1. The claims are processed as formal government claims subject to all laws and policies and are resolved as RCTC determines including referring the claim to you for handling.
2. If RCTC or the State Board of Control approves settlement of a claim or is ordered to pay pursuant to a court order, the claim shall be paid from funds withheld from you.
3. Within 3 Business Days of RCTC's determination that you are responsible for resolving the claim, RCTC will send a copy of the claim to you for resolution or notify you of RCTC's decision to resolve the claim.

RCTC will withhold an amount not to exceed 0.1 percent of the Contract Price to resolve all seal coat claims. The amount will be held no longer than 60 days following the last spreading of screenings so that RCTC has ample time to resolve any pending claims. After 60 days, any remaining amount withheld will be returned to you.

If no withheld funds remain or have been returned, RCTC may pay any seal coat claims and seek reimbursement from you through an offset or any other legal means. Any reimbursement or offset to be recovered from you, including all other paid claims, is limited to 10 percent of the Contract Price.

Section 7-1.07B applies only to seal coat claims and does not limit your obligation to defend and indemnify the Department and RCTC or RCTC's rights with respect to retention or deductions as set forth in the Contract, including Section 18.11.

7-1.08 RESERVED

Neither the Director, the Engineer, nor any other officer or authorized employee of the State of California, nor any officer or employee of any county, city, or district shall be personally responsible for any liability arising under or by virtue of the Contract.

7-1.09 UNSHELTERED INDIVIDUALS ENCAMPMENTS

Notify RCTC at least 14 days prior to needing access to areas in the right of way with encampments that affect performance of the Work. The Department will remove encampments including encampment debris.

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7-1.10 RESERVED

7-1.11 RESERVED

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FHWA-1273 -- Revised July 5, 2022

REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS

I. General
II. Nondiscrimination
III. Non-segregated Facilities
IV. Davis-Bacon and Related Act Provisions
V. Contract Work Hours and Safety Standards Act Provisions
VI. Subletting or Assigning the Contract
VII. Safety: Accident Prevention
VIII. False Statements Concerning Highway Projects
IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
X. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
XI. Certification Regarding Use of Contract Funds for Lobbying
XII. Use of United States-Flag Vessels:

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under title 23, United States Code, as required in 23 CFR 633.102(b) (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services). 23 CFR 633.102(e).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider. 23 CFR 633.102(e).

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services) in accordance with 23 CFR 633.102. The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in solicitation-for-bids or request-for-proposals documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract). 23 CFR 633.102(b).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract. 23 CFR 633.102(d).

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. 23 U.S.C. 114(b). The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors. 23 U.S.C. 101(a).

II. NONDISCRIMINATION (23 CFR 230.107(a); 23 CFR Part 230, Subpart A, Appendix A; EO 11246)

The provisions of this section related to 23 CFR Part 230, Subpart A, Appendix A are applicable to all Federal-aid construction contracts and to all related construction subcontracts of $10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR Part 60, 29 CFR Parts 1625-1627, 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding $10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR Part 60, and 29 CFR Parts 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR Part 230, Subpart A, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

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1. Equal Employment Opportunity: Equal Employment Opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (*see* 28 CFR Part 35, 29 CFR Part 1630, 29 CFR Parts 1625-1627, 41 CFR Part 60 and 49 CFR Part 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140, shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR Part 35 and 29 CFR Part 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract. 23 CFR 230.409 (g)(4) & (5).

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, sexual orientation, gender identity, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action or are substantially involved in such action, will be made fully cognizant of and will implement the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer or other knowledgeable company official.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to ensure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action

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within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs (i.e., apprenticeship and on-the-job training programs for the geographical area of contract performance). In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. 23 CFR 230.409. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established thereunder. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors, suppliers, and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurances Required:

a. The requirements of 49 CFR Part 26 and the State DOT's FHWA-approved Disadvantaged Business Enterprise (DBE) program are incorporated by reference.

b. The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:
(1) Withholding monthly progress payments;
(2) Assessing sanctions;
(3) Liquidated damages; and/or
(4) Disqualifying the contractor from future bidding as non-responsible.

c. The Title VI and nondiscrimination provisions of U.S. DOT Order 1050.2A at Appendixes A and E are incorporated by reference. 49 CFR Part 21.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

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(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women.

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. **NONSEGREGATED FACILITIES**

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of more than $10,000. 41 CFR 60-1.5.

As prescribed by 41 CFR 60-1.8, the contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location under the contractors control where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. **DAVIS-BACON AND RELATED ACT PROVISIONS**

This section is applicable to all Federal-aid construction projects exceeding $2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size), in accordance with 29 CFR 5.5. The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. 23 U.S.C. 113. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. 23 U.S.C. 101. Where applicable law requires that projects be treated as a project on a Federal-aid highway, the provisions of this subpart will apply regardless of the location of the project. Examples include: Surface Transportation Block Grant Program projects funded under 23 U.S.C. 133 [excluding recreational trails projects], the Nationally Significant Freight and Highway Projects funded under 23 U.S.C. 117, and National Highway Freight Program projects funded under 23 U.S.C. 167.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 "contract provisions and related matters" with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum **wages** (29 CFR 5.5)

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employers payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b.(1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is utilized in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification {if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or win notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate {including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.{3) of this section, shall be paid to all workers performing **work** in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding (29 CFR 5.5)

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records (29 CFR 5.5)

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the **work** and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name. address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid {including rat es of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-8acon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1){iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated ed in providing benefits under a plan or program described in section 1{b){2){B) of the Davis-Bacon Ac the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs. the registration of the apprentices and trainees. and the ratios and wage rates prescribed in the applicable programs.

b.(1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker. and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency.

(2) Each payroll submitted shall be accompanied by a ·statement of Compliance; signed by the contractor or

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subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH–347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 231.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. **Apprentices and trainees** (29 CFR 5.5)

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the

corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. 23 CFR 230.111(e)(2). The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract as provided in 29 CFR 5.5.

6. Subcontracts. The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract as provided in 29 CFR 5.5.

9. Disputes concerning labor standards. As provided in 29 CFR 5.5, disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility (29 CFR 5.5)

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Pursuant to 29 CFR 5.5(b), the following clauses apply to any Federal-aid construction contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek. 29 CFR 5.5.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph 1 of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 of this section, in the sum currently provided in 29 CFR 5.5(b)(2)* for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 of this section. 29 CFR 5.5.

* $27 as of January 23, 2019 (See 84 FR 213-01, 218) as may be adjusted annually by the Department of Labor; pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990).

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a. refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant refers to the participant

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who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). "lower Tier Participant refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

b. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation tn this covered transaction, unless authorized by the department or agency entering into this transaction. 2 CFR 180.330.

g_The prospective first tier participant further agrees by submitting this proposal that it ·11include the clause titled "Certification Regarding Debarment and Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the S25,000 threshold. 2 CFR 180.220 and 180.300.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred. suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. 2 CFR 180.300; 180.320, and 180.325. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. 2 CFR 180.335. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants. each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/). 2 CFR 180.300, 180.320, and 180.325.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Governrnent, the department or agency may terminate this transaction for cause or default. 2 CFR 180.325.

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment. declared ineligible or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.335;.

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust staMes or commission of embezzlement. theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property, 2 CFR 180.800;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification, 2 CFR 180.700 and 180.800; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default. 2 CFR 180.335(d).

(5) Are not a corporation that has been convicted of a felony violation under any Federal law within the o-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(6) Are not a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability (USDOT Order 4200.6 implementing appropriations act requirements).

b. Where the prospective participant is unable to certify any of the statements in this certification, such prospective participant should attach an explanation to this proposal. 2 CFR 180.335 and 180.340.

3. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders, and other lower tier transactions requiring prior FHWA approval or estimated to cost 25,000 or more - 2 CFR Parts 180 and 1200). 2 CFR 180.220 and 1200.220.

a. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon Which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated *may* pursue available remedies, inducting suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous because of changed circumstances. 2 CFR 180.365.

d. The terms ·covered transaction; "debarred," ·suspended," "ineligible," "participant," "person," "principal," and voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900- 180.1020, and 1200. You may contact the person to which this proposal is

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submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated. 2 CFR 1200.220 and 1200.332.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold. 2 CFR 180.220 and 1200.220.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/), which is compiled by the General Services Administration. 2 CFR 180.300, 180.320, 180.330, and 180.335.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment. 2 CFR 180.325.

* * * * *

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals:

(a) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.355;

(b) is a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(c) is a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability. (USDOT Order 4200.6 implementing appropriations act requirements)

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal.

* * * * *

XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed $100,000. 49 CFR Part 20, App. A.

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier

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subcontracts, which exceed $100,000 and that all such recipients shall certify and disclose accordingly.

XII. USE OF UNITED STATES-FLAG VESSELS:

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, or any other covered transaction. 46 CFR Part 381.

This requirement applies to material or equipment that is acquired for a specific Federal-aid highway project. 46 CFR 381.7. It is not applicable to goods or materials that come into inventories independent of an FHWA funded-contract.

When oceanic shipments (or shipments across the Great Lakes) are necessary for materials or equipment acquired for a specific Federal-aid construction project, the bidder, proposer, contractor, subcontractor, or vendor agrees:

1. To utilize privately owned United States-flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to this contract, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels. 46 CFR 381.7.

2. To furnish within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, 'on-board' commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (b)(1) of this section to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Office of Cargo and Commercial Sealift (MAR-620), Maritime Administration, Washington, DC 20590. (MARAD requires copies of the ocean carrier's (master) bills of lading, certified onboard, dated, with rates and charges. These bills of lading may contain business sensitive information and therefore may be submitted directly to MARAD by the Ocean Transportation Intermediary on behalf of the contractor). 46 CFR 381.7.

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ATTACHMENT A - EMPLOYMENT AND MATERIALS PREFERENCE FOR APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS ROAD CONTRACTS (23 CFR 633, Subpart B, Appendix B) This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 23 CFR 633.207(e) allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.

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Minority Utilization Goals

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8 PROSECUTION AND PROGRESS

8-1.01 GENERAL

Section 8 includes specifications related to prosecuting this Contract and Work progress.

8-1.02 RESERVED

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8-1.02D–8-1.02F RESERVED

8-1.03 PRECONSTRUCTION CONFERENCE

Attend a preconstruction conference with key personnel, including your assigned representative, at a time and location determined by RCTC. Submit documents as required before the preconstruction conference. You may start Work before the preconstruction conference.

Be prepared to discuss the topics and documents shown in the following table:

Topic	Document
Potential claim and dispute resolution	*[See Notices in Articles 16 and 23 of the Contract]*
DB Contractor's representation	Assignment of DB Contractor's representative
DBE and DVBE	Final utilization reports
Equipment	Equipment list
Labor compliance and equal employment opportunity	Job site posters and benefit and payroll reports
Material inspection	Notice of Materials to be Used form
Materials on hand	Request for Payment for Materials on Hand form
Measurements	--
Partnering	--
Quality control	QC plans
Safety	Injury and Illness Prevention Program, Code of Safe Practices, and job site posters
Schedule	Baseline schedule
Subcontracting	Subcontracting Request form
Traffic control	Traffic contingency plan and traffic control plans
Utility work	--
Weight limitations	--
Water pollution control	SWPPP or WPCP
Work restrictions	PLACs
Action submittals	--

8-1.04 - 8-1.16 RESERVED

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9 PAYMENT

9-1.01 GENERAL

Section 9 includes specifications related to Work that is to be paid for based on unit prices.

9-1.02 MEASUREMENT

9-1.02A General

RCTC determines unit priced quantities under US customary units.

9-1.02B Weighing Equipment and Procedures

9-1.02B(1) General

Measure material quantities for payment with devices that comply with:

1. 4 CA Code of Regs § 4000 et seq.
2. Bus & Prof Code § 12001 et seq.

To determine the material payment quantities, use measuring devices that have been sealed by the Department of Food and Agriculture's Division of Measurement Standards or its designated representative.

If a device is not type approved by the Division of Measurement Standards, type approve it under California Test 109.

Notify RCTC at least 1 Business Day before equipment testing.

Use material plant controllers having elements affecting the data accuracy and delivery that have been sealed in accordance with the CQMP. Make these elements available to RCTC and the CQVM for inspection. If the elements are adequate for use, the CQVM seals them. If manipulation of a security seal occurs, stop material production. Do not resume production until RCTC and CQVM reinspect the device and the CQVM reseals it.

Measure material paid for by weight on sealed scales regularly inspected by the Department of Food and Agriculture's Division of Measurement Standards or its designated representative.

Obtain authorization of portable vehicle scale installations before sealing.

9-1.02B(2) Equipment

Each scale must be long enough to fit an entire vehicle or a combination vehicle on the scale deck. RCTC allows you to weigh a combination vehicle separately if you disconnect the vehicles.

Construct scale under supports:

1. Using Portland cement concrete containing at least 470 pounds of cementitious material per cubic yard produced from commercial quality materials.
2. Such that footing heights are at least 20 inches thick.
3. With a bearing surface at least 30 inches wide and bearing pressure on the footing not over 4,000 lb./sq ft.

In constructing a scale:

1. Provide drainage to prevent water from saturating the ground under the scale.
2. Use bulkheads that prevent displacement.
3. If shimming is necessary:
   3.1. Use securely attached metal shims or grout
   3.2. Do not use wedges to shim the supports
   3.3. Do not use shim material in excess of 3 inches
4. Install mechanical indicating elements level, plumb, and rigidly mounted on the concrete undersupports.
5. For a hopper scale, rigidly attach the lever systems and mechanical indicating elements such that no weight is lost from bending or support distortion.

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Each scale used to determine material payment quantities must be operated by a licensed weighmaster (Bus & Prof Code § 12700 et seq.).

Submit a public weighmaster's certificate or certified daily summary weigh sheets for each weighed material quantity. RCTC may witness material weighing and check and compile the daily scale-weight record.

Each vehicle operator must obtain weight or load slips from the weighmaster. Submit these records at the delivery point.

9-1.02B(3) Procedures

Each day weigh empty vehicles used to haul material paid for by weight. Each vehicle must have a legible identification mark. RCTC may verify a material weight by having an empty and loaded vehicle weighed on any scale RCTC designates.

If imported topsoil, soil amendment, wood mulch, or compost is measured by volume:

1. Each vehicle must allow for an accurate determination of its contents.
2. Unless vehicles are of uniform capacity, each vehicle must have a legible identification mark showing its volumetric capacity.
3. Load vehicles to at least the volumetric capacity.
4. Level vehicle loads on arrival at the delivery point.

If determining a quantity paid on a volume basis is impractical or if authorized by RCTC, weigh the material and RCTC will convert the result to a volume measurement. RCTC will determine the conversion factors and, if you agree, will adopt this method of measurement.

9-1.02C RESERVED

9-1.02D RESERVED

9-1.03 RESERVED

9-1.04 FORCE ACCOUNT

9-1.04A General

For Work paid by force account (defined to mean Time and Materials under the Contract), RCTC compares RCTC's records to your daily force- account Work report. When you and RCTC agree on the contents of the daily force-account Work reports, RCTC will accept the report and RCTC will pay for the Work based on the report. If the records differ, RCTC will pay for the Work based only on the information shown in RCTC's records.

The tentative daily extra Work agreement form is used to identify the labor, materials, and equipment used on Change Order Work paid by force account. Signatures on this form do not constitute final agreement regarding payment.

If a Subcontractor performs Work at force account, markups shall be consistent with Section 21 of the Contract , as reimbursement for additional administrative costs.

The markups specified for labor, materials, and equipment include compensation for all delay costs, overhead costs, and profit which are compensable under the Contract.

If an item's unit price is adjusted for work-character changes, RCTC excludes your cost of determining the adjustment.

Payment for owner-operated labor and equipment is made at the market-priced invoice submitted.

For construction Work, the DB Contractor Markups constitutes full compensation for all overhead costs for Work performed on a force account basis as well as for profit thereon, including the overhead costs described in Section 21.11.3 of the Contract. The DB Contractor Markups are deemed to include all items of expense not specifically designated herein. The total payment made as provided herein is deemed to be the actual cost of the Work performed on a force account basis and constitutes full compensation therefor.

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9-1.04B Cost of the Work (PDB Phase 1)

During Phase 1, for any force account Work, labor payment is full compensation for the cost of labor used in the direct performance of the Work plus any allowed DB Contractor Markup. The cost of labor for force account Work is inclusive of the following:

1. Basic hourly wage
2. Indirect costs (non-project specific overhead which includes all labor burdens)
3. Subconsultant profit

The Parties agree that Items 1 and 2 above constitute full compensation for all state and federal payroll, unemployment and other taxes, workers' compensation, fringe benefits (including health insurance, retirement plans, vacation, sick leave and bonuses) and all other payments made to, or on behalf of, the workers, in excess of actual wages, as well as for overhead.

4. DB Contractor Markup shall be payable as follows:
    - **i.** DB Contractors Markup shall be applied to line items 1, 2 and 3 above to the extent such costs are Category C Costs.
    - **ii.** DB Contractors Markup shall not be applied to line items 1, 2 and 3 above to the extent such costs are Category D Costs and will be treated as pass throughs for reimbursement.
    - **iii.** DB Contractor's Markup shall not be applied to premiums for bonds and insurance.
    - **iv.** Lead Engineering Firm shall not be entitled to profit on any second-tier engineering subconsultants.

9-1.04C Labor (PDB Phase 2)

[Note: Approach to labor to be revised, if needed in Phase 2 Work]

Labor payment is full compensation for the cost of labor used in the direct performance of the Work plus the DB Contractor Markup. Force-account labor payment consists of:

1. Employer payment to the worker for:
    1.1. Basic hourly wage
    1.2. Health and welfare
    1.3. Pension
    1.4. Vacation
    1.5. Training
    1.6. Other State- and federal-recognized fringe benefit payments
2. Labor surcharge percentage in *Labor Surcharge and Equipment Rental Rates* current during the work paid at force account for:
    2.1. Workers' compensation insurance
    2.2. Social security
    2.3. Medicare
    2.4. Federal unemployment insurance
    2.5. State unemployment insurance
    2.6. State training taxes
3. Subsistence and travel allowances paid to the workers.
4. Employer payment to supervisors if authorized.

The Fixed General Conditions Costs consists of payment for all overhead costs related to labor but not designated as costs of the labor used in the direct performance of the Work, including:

1. Home office overhead
2. Field office overhead (including superintendent /general foreman
3. Bond and insurance costs
4. Profit

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5. Labor liability insurance
6. Other fixed or administrative costs that are not costs of the labor used in the direct performance of the work

9-1.04C Materials

Material payment is full compensation for materials you furnish and uses in the Work. RCTC determines the cost based on the material purchase price, including delivery charges, except:

1. DB Contractor Markup is added
2. Supplier discounts are subtracted whether you took them or not
3. If RCTC believes the material purchase prices are excessive, RCTC pays the lowest current wholesale price for a similar material quantity
4. If you procured the materials from a source you wholly or partially own, the determined cost is based on the lower of the:
   4.1. Price paid by the purchaser for similar materials from that source on Contract items
   4.2. Current wholesale price for those materials
5. If you do not submit a material cost record within 30 days of billing, the determined cost is based on the lowest wholesale price:
   5.1. During that period
   5.2. In the quantities used

9-1.04D Equipment Rental

9-1.04D(1) General

Equipment rental payment is full compensation for:

1. Rental equipment costs, including moving the equipment to and from the Change Order Work site using its own power.
2. Transport equipment costs for rental equipment that cannot be transported economically using its own power. No payment is made during transport for the transported equipment.
3. DB Contractor Markup is added

If you want to return the equipment to a location other than its original location, the payment to move the equipment must not exceed the cost of returning the equipment to its original location. If you use the equipment for Work other than Work paid by force account, the transportation cost is included in the other Work.

Before moving or loading the equipment, obtain authorization for the equipment rental's original location.

RCTC determines rental costs:

1. Using the rates in *Labor Surcharge and Equipment Rental Rates*:
   1.1. By classifying equipment using manufacturer's ratings and manufacturer-approved changes.
   1.2. Current during the Work paid by force account.
   1.3. Regardless of equipment ownership; but RCTC uses the rental document rates or minimum rental cost terms if:
      1.3.1. Rented from an equipment business you do not own.
      1.3.2. Hourly rate in *Labor Surcharge and Equipment Rental Rates* is $10.00 per hour or less.
2. Using the rates established by RCTC for equipment not listed in *Labor Surcharge and Equipment Rental Rates*. You may submit cost information that helps the RCTC establish the rental rate; but RCTC uses the rental document rates or minimum rental cost terms if:
   2.1. Rented from an equipment business you do not own.
   2.2. The Engineer establishes a rate of $10.00 per hour or less.
3. Using rates for transport equipment not exceeding the hourly rates charged by established haulers.

Equipment rental rates include the cost of:

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1. Fuel
2. Oil
3. Lubrication
4. Supplies
5. Small tools that are not consumed by use
6. Necessary attachments
7. Repairs and maintenance
8. Depreciation
9. Storage
10. Insurance
11. Incidentals

RCTC pays for small tools consumed by use. RCTC determines the payment for small tools consumed by use based on DB Contractor-submitted invoices.

RCTC may authorize rates in excess of those in the *Labor Surcharge and Equipment Rental Rates* if:

1. You submit a request to use rented equipment
2. Equipment is not available from your normal sources or from one of your Subcontracts
3. Rented equipment is from an independent rental company
4. Proposed equipment rental rate is reasonable
5. RCTC authorizes the equipment source and the rental rate before you use the equipment

RCTC pays for fuel consumed during the operation of rented equipment not included in the invoiced rental rates.

9-1.04D(2) Equipment On the Job Site

For equipment on the job Site at the time required to perform work paid by force account, the time paid is the time:

1. To move the equipment to the location of work paid by force account plus an equal amount of time to move the equipment to another location on the job Site when the work paid by force account is completed
2. To load and unload equipment
3. Equipment is operated to perform work paid by force account and:
   3.1. Hourly rates are paid in 1/2-hour increments
   3.2. Daily rates are paid in 1/2-day increments

9-1.04D(3) Equipment Not On the Job Site and Not Required for Original-Contract Work

For equipment not on the job Site at the time required to perform Work paid by force account and not required for the original Contract Work, the time paid is the time the equipment is operated to perform Work paid by force account and the time to return the equipment to its source when the Work paid by force account is completed.

The minimum total time paid is:

1. 1 day if daily rates are paid
2. 8 hours if hourly rates are paid

If daily rates are recorded, equipment:

1. Idled is paid as 1/2 day
2. Operated less than 4 hours is paid as 1/2 day
3. Operated 4 hours or more is paid as 1 day

If the minimum total time exceeds 8 hours and if hourly rates are listed, RCTC rounds up hours operated to the nearest 1/2-hour increment and pays based on the hours shown in the following table. The table does not apply when equipment is not operated due to breakdowns, in which case rental hours are the hours the equipment was operated.

Equipment Rental Hours

Hours operated	Hours paid
0.0	4.00
0.5	4.25

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1.0	4.50
1.5	4.75
2.0	5.00
2.5	5.25
3.0	5.50
3.5	5.75
4.0	6.00
4.5	6.25
5.0	6.50
5.5	6.75
6.0	7.00
6.5	7.25
7.0	7.50
7.5	7.75
≥ 8.0	hours used

9-1.04D(4) Equipment Not On the Job Site and Required for Original-Contract Work

For equipment not on the job Site at the time required to perform Work paid by force account and required for the original Contract Work, the time paid is the time:

1. To move the equipment to the location of Work paid by force account plus an equal amount of time to move the equipment to a location on the job Site or its source when the Work paid by force account is completed
2. Equipment is operated to perform Work paid by force account

9-1.04D(5) Non-Owner-Operated Dump Truck Rental

Submit the rental rate for a non-owner-operated dump truck. RCTC determines the payment rate. Payment for the rental of a non-owner-operated dump truck is for the cost of renting a dump truck, including its driver. For the purpose of markup payment only, the non-owner-operated dump truck is rental equipment and the owner is a Subcontractor.

9-1.04D(6) Records

Maintain records in such a manner as to provide a clear distinction between the direct costs of extra Work paid for on a force account basis and the costs of other operations. Records must include all other information required under the Contract, including Section 21.16.

From the above records, furnish RCTC completed daily extra work reports, either on forms furnished by RCTC or on computerized facsimiles of the RCTC's forms acceptable to the RCTC, for each day's extra Work to be paid for on a force account basis. Itemize the materials used on the daily extra work reports, and covering the direct cost of labor and the charges for equipment rental, whether furnished by DB Contractor, Subcontractor or other forces, except for charges described in Section 9-1.05, "Extra Work Performed by Specialists." Provide names or identifications and classifications of workers, the hourly rate of pay and hours worked, and also the size, type and identification number of equipment, and hours operated in the daily extra work reports.

Substantiate material charges by valid copies of vendor's invoices. Submit the invoices with the daily extra work reports, or if not available, submit the invoices with subsequent daily extra work reports. Should the vendor's invoices not be submitted within 60 days after the date of delivery of the material or within 15 days after Final Acceptance of the Contract, whichever occurs first, RCTC reserves the right to establish the cost of the materials at the lowest current wholesale prices at which those materials were available in the quantities concerned delivered to the location of Work less any discounts as provided in Section 9-1.04C.

Daily extra work reports must be signed by Contractor or the Contractor's authorized representative.

RCTC will compare RCTC's records with the completed daily extra work reports furnished by the Contractor and make any necessary adjustments. When these daily extra work reports are agreed upon and signed by both

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parties, the reports will become the basis of payment for the Work performed but will not preclude subsequent adjustment based on a later audit by the RCTC or Department.

The Contractor's cost records pertaining to Work paid for on a force account basis is open to inspection or audit by representatives of the RCTC or Department, during the life of the Contract and for a period of not less than 5 years after the Final Acceptance Date or the termination of the Contract (as applicable), and the Contractor must retain those records for that period. Where payment for materials or labor is based on the cost thereof to forces other than the Contractor, the Contractor must make every reasonable effort to ensure that the cost records of those other forces are open to inspection and audit by representatives of the RCTC or Department on the same terms and conditions as the cost records of the Contractor. If an audit is to be commenced more than 60 days after the Final Acceptance Date of the contract, the Contractor will be given a reasonable notice of the time when the audit is to begin.

9-1.05 EXTRA WORK PERFORMED BY SPECIALISTS

If RCTC determines that you or your Subcontracts are not capable of performing specialty extra Work, a specialist may be used. Itemize the labor, material, and equipment rental costs unless it is not the special service industry's established practice to provide itemization, in which case, RCTC accepts current market-priced invoices for the Work.

RCTC may accept an invoice as a specialist billing for Work performed at an off–job site manufacturing plant or machine shop.

RCTC determines the cost based on the specialist invoice price minus any available or offered discounts plus DB Contractor Markup

9-1.06–9-1.10 RESERVED

9-1.11 TIME-RELATED OVERHEAD

9-1.11A General

Section 9-1.11 applies only to those occurrences and events for which DB Contractor would be entitled to delay and disruption damages in accordance with Contract Section 21.6.

9-1.11B RESERVED

9-1.11C Payment Inclusions for Phase 2

Except to the extent such costs are payable under Section 9-1.04B, DB Contactor is not entitled to time-related overhead or Fixed General Conditions Contract in Phase 1.

[Note: Subject to review and revision for Phase 2]

Time-related overhead for Phase 2 only includes payment for time-related field- and home-office overhead for the time required to complete the Work. It does not include non-time-related costs such as mobilization, licenses, permits, and other charges incurred once during this Contract. Costs for home-office overhead are not allowed as part of time-related overhead.

The field office overhead includes time-related expenses associated with the normal and recurring construction activities not directly attributed to the Work under this Contract, including:

1. Salaries, benefits, and equipment costs of:
   1.1. Project managers
   1.2. Superintendents
   1.3. Field office managers
   1.4. Field office staff assigned to the project
2. Rent

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3. Utilities
4. Maintenance
5. Security
6. Supplies
7. Office equipment costs for the project's field office

The home-office overhead includes the fixed general and administrative expenses for operating your business, including:

1. General administration
2. Insurance
3. Personnel and Subcontract administration
4. Purchasing
5. Accounting
6. Project engineering and estimating

Time-related overhead does not include the following costs:

1. Home-office overhead expenses specifically related to:
   1.1. Your other contracts or other businesses
   1.2. Equipment coordination
   1.3. Material deliveries
   1.4. Consultant and legal fees
2. Non-time-related costs and expenses such as mobilization, licenses, permits, and other charges incurred once during the Contract.
3. Additional overhead involved in incentive/disincentive provisions to satisfy an internal milestone or multiple calendar requirements.
4. Additional overhead involved in performing additional work that is not a controlling activity
5. Overhead costs incurred by your Subcontractors of any tier or Suppliers.

9-1.11D RESERVED

9-1.11E RESERVED

9-1.12–9-1.22 RESERVED

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EXHIBIT 6

LANE CLOSURES

CHART 6-1

GP LANE CLOSURE CHARGES

In accordance with Section 25.2.2(a), Permitted GP Lane Closures shall be at no charge to DB Contractor, provided the Lane Closure complies with the requirements for Lane Closures in the Contract.

For Unpermitted GP Lane Closures, the GP Lane Closure Charges shall be determined as follows based on the applicable route, direction /segment and facility:

Type of facility	Route	Direction or segment	Period	Unpermitted GP Lane Closure Charges From NTP Phase 1 through the remainder of the Warranty Period
Mainline	15	NB 32.5-41	1st half hour 2nd half hour 2nd hour and beyond	$2650/10 minutes $3975/10 minutes $5300/10 minutes
Mainline	15	NB 20.3-32.5	1st half hour 2nd half hour 2nd hour and beyond	$2000/10 minutes $2000/10 minutes $1000/10 minutes
Mainline	15	SB 32.5-41	1st half hour 2nd half hour 2nd hour and beyond	$2000/10 minutes $2000/10 minutes $1000/10 minutes
Mainline	15	SB 20.3-32.5	1st half hour 2nd half hour 2nd hour and beyond	$2000/10 minutes $2000/10 minutes $1000/10 minutes
Ramps	15	All Existing I-15 Ramps	1st half hour 2nd half hour 2nd hour and beyond	$1000/10 minutes $1000/10 minutes $1000/10 minutes

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The 10-minute increments listed in the table above are for partial or full increments, meaning that, for example, a 10 minute and one second period would be considered two increments.

CHART 6-2

15 EL Closure Charges for Permitted 15 EL Closures

Segment 1 NB, Segment 4 SB, or other Express Lane Segments or Express Lane Connectors From NTP Phase 1 through NTP Phase 2

(NTP Phase 2 through the remainder of the Warranty Period #TBD)

Time Frame	Segment 1 NB (Southern beginning to Ontario Ingress/Egress)	Segment 4 SB (Ontario Ingress/Egress to Southern end)	Other Express Lane Segments or Express Lane Connectors collecting toll revenue
Sunday 8:00 p.m. to Monday 4:00 a.m. (Except for certain Sundays identified in Section 18.3.3 of the Technical Provisions)	$ 1000/night	$ 1000/night	$ 2000/night
Monday 8:00 p.m. to Tuesday 4:00 a.m.	$ 1000/night	$ 1000/night	$ 2000/night
Tuesday 8:00 p.m. to Wednesday 4:00 a.m.	$ 1000/night	$ 1000/night	$ 2000/night
Wednesday 8:00 p.m. to Thursday 4:00 a.m.	$ 1000/night	$ 1000/night	$ 2000/night
Thursday 8:00 p.m. to Friday 4:00 a.m.	$ 1000/night	$ 1000/night	$ 2000/night
Friday 10:00 p.m. to Saturday 6:00 a.m.	$ 1000/night	$ 1000/night	$ 2000/night

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Saturday 10:00 p.m. to Sunday 6:00 a.m.	**$ 1000/night**		**$ 1000/night**	**$ 2000/night**

The applicable 15 EL Closure Charge listed in this Chart 6-1 will be assessed on a per night basis irrespective of the actual length of the Permitted 15 EL Closure.

If RCTC requests closure of additional segments for convenience which affects more than the DB Contractor request of Segment 1 NB or Segment 4 SB, resulting charge shall be only for the requested Segment.

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Chart 6-3

15 EL Closure Charges for Unpermitted 15 EL Closures

Segment 1 NB, Segment 4 SB, or other Express Lane Closure

Segment	Time Frame	15 EL Closure Charge* from the NTP Phase 1 through the remainder of the Warranty Period
Segment 1 NB, Segment 4 SB, or other Express Lane Closure	**Weekday Period:** **Monday 4:00 a.m. to 8:00 p.m.** **Tuesday 4:00 a.m. to 8:00 p.m.** **Wednesday 4:00 a.m. to 8:00 p.m.** **Thursday 4:00 a.m. to 8:00 p.m.** **Friday 4:00 a.m. to 8:00 p.m.**	**The sum of (i) Stipulated Damages** for the affected Segment plus (ii) $3000 per affected Segment for every partial or full 10 minute increment**
	Weekend Period: **Saturday 6:00 a.m. to 10:00 p.m.** **Sunday 6:00 a.m. to 10:00 p.m.**	**The sum of (i) Stipulated Damages** for the affected Segment plus (ii) $3000 per affected Segment for every partial or full 10 minute increment**

The 10 minute increments listed in the tables above are for partial or full increments, meaning that, for example, a 10 minute and one second period would be considered two increments.

*Lane Closures will be measured on the basis of direction and Segment. The 15 EL Closure Charge shall be assessed for any closure of any portion of a lane within a Segment in any direction. An Unpermitted closure that affects more than one Segment shall result in a charge for each affected Segment. For instance, a closure of a portion of one lane in two Northbound Segments and one Southbound Segment shall result in a charge of Stipulated Damages for the three affected Segments plus $3000 for every partial or full 10 minute increment.

** Stipulated Damages shall be determined by using a comparison of the number of transactions identified by the Collection System during the period of the partial or complete 15 EL Closure and the number of transactions identified by the Collection System during a comparable prior period determined by RCTC.

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Determination of a comparable period shall be made by RCTC, acting reasonably, and shall consider the day, month, time of day, location, season, whether the day is a weekday, weekend or holiday, and such other factors as RCTC shall reasonably determine.

During the first six (6) months following the Revenue Service Commencement Date for any segment, Stipulated Damages shall be determined by reference to the traffic and revenue study estimates for that portion of Interstate 15 during the period of time in question and may also consider available live traffic data from the Collection System.

For example, if, during the period of the 15 EL Closure, the Collection System identifies 100 transactions, and during a comparable prior period where there is no 15 EL Closure, the Collection System identifies 1000 transactions, the Stipulated Damages for the duration of the 15 EL Closure would be the value of the difference in the number of transactions (i.e., an amount equal to 900) multiplied by the toll rate(s) applicable to such transactions.

The calculation of Stipulated Damages can never be a negative number or result in DB Contractor being entitled to additional payment from RCTC.

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EXHIBIT 7

BONDS

Exhibit 7-A: Form of Performance Bonds

Exhibit 7-B: Form of Payment Bonds

Exhibit 7-C: Form of Warranty Bond

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EXHIBIT 7-A

FORM OF PERFORMANCE BONDS

Appendix 7-A-1 (Form of Phase 1 Performance Bond)

Appendix 7-A-2 (Form of Phase 2 Performance Bond)

Appendix 7-A-3 (Form of Multiple Obligee Rider)

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APPENDIX 7-A-1

Form of Phase 1 Performance Bond

Contract No.: _____

Bond No. _____

WHEREAS, the Riverside County Transportation Commission, a public entity of the State of California ("RCTC"), as the primary obligee, has awarded to SC Constructors, a Joint Venture authorized to do business in the State of California ("Principal"), the Progressive Design-Build Contract, dated [_____, 2026] (as amended from time to time, "Contract") to provide progressive design-build services for the I-15 Express Lanes Project Southern Extension (as defined in the Contract) on the terms and conditions in the Contract; and

WHEREAS, Principal is required to furnish a bond guaranteeing faithful performance of its obligations under the Contract on or before delivering to RCTC the executed Contract.

NOW THEREFORE, We the undersigned Principal and _____ ("Surety" or "Co-Sureties"), admitted surety insurer(s) in the State of California, are held and firmly bound unto RCTC, in the sum of $38,457,635 subject to increase in accordance with the NTP Phase 2 Rider ("Bonded Sum") to be paid to RCTC for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

1. The Contract is incorporated by reference in this Bond. Unless the context otherwise requires, capitalized terms used but not separately defined in this Bond have the meaning given to them in the Contract.

2. If the Principal, or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by and well and truly keep and perform all covenants, conditions, agreements, obligations and work under the Contract, including any and all amendments, supplements, and alterations made to the Contract as therein provided, on Principal's part to be kept and performed, at the time and in the manner therein specified, and shall indemnify, defend and save harmless RCTC and all other Indemnified Parties, as therein stipulated, then this obligation shall become and be null and void; otherwise, it shall be and remain in full force and effect.

3. This Bond shall cover the cost to perform all the obligations of the Principal pursuant to the Contract.

4. The obligations covered by this Bond specifically include the performance of each and every obligation of Principal under the Contract including its liability for liquidated damages and warranties as specified in the Contract, but not to exceed the Bonded Sum.

5. The Surety (or Co-Sureties) agree(s) that no change, extension of time, alterations, additions, omissions or other modifications of the terms of any of the Contract, or in the work to be performed with respect to the I-15 Express Lanes Project Southern Extension, or in the

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specifications or plans, or any change or modification of any terms of payment or extension of time for any payment pertaining or relating to any of the Contract, or any rescission or attempted rescission of this Bond, solely due to acts of Principal, or any fraud practiced by any other person other than RCTC seeking to recover from this Bond, shall in any way affect its obligations on this Bond, and it hereby waives notice of such changes, extension of time, alterations, additions, omissions or other modifications.

6. The Surety (or Co-Sureties) agree(s) that payments made to contractors and suppliers to satisfy claims on the Payment Bond do not reduce the Surety's legal obligations under this Bond. Payments made to contractors or suppliers under any agreement where the Surety has arranged for completion of the work to satisfy this Bond will not be considered Payment Bond claims.

7. Whenever Principal is in default under the Contract, provided that RCTC is not then in material default under the Contract, the Surety (or Co-Sureties) shall promptly:

(a) remedy such default, or

(b) complete the work and perform the obligations covered by this Bond in accordance with the terms and conditions of the Contract then in effect, or

(c) select a contractor or contractors to complete all Work and perform all obligations covered by this Bond for which a notice to proceed has been issued in accordance with the terms and conditions of the Contract, using a contractor or contractors approved by RCTC (provided, however, that the Surety (or Co-Sureties) may not select Principal or any affiliate of Principal to complete the work and perform the obligations for and on behalf of the Surety without RCTC's express written consent, in its sole discretion), arrange for a contract that contains substantially the same terms and conditions of the Contract between such contractor or contractors and RCTC, and make available as work progresses (even though there should be a default or a succession of defaults under such contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the unpaid balance of the Lump Sum (Phase 1); but not exceeding, including other costs and damages for which the Surety is (or Co-Sureties) (are) liable hereunder, the Bonded Sum.

8. If Surety (or Co-Sureties) does not proceed as provided in Paragraph 7 of this Bond with reasonable promptness, Surety (or Co-Sureties) shall be deemed to be in default on this Bond 15 days after receipt of an additional written notice from RCTC to Surety (or Co-Sureties designated representative) demanding that Surety (or Co-Sureties) perform its (or their) obligations under this Bond, and RCTC shall be entitled to enforce any remedy available to RCTC.

9. **[Use in case of multiple or co-sureties]** The Co-Sureties agree to empower a single representative with authority to act on behalf of all of the Co-Sureties with respect to this Bond, so that RCTC will have no obligation to deal with multiple sureties under this Bond. All correspondence from RCTC to the Co-Sureties and all claims under this Bond shall be sent to such designated representative. The designated representative may be changed only by delivery of written notice (by personal delivery or by certified mail, return receipt requested) to RCTC designating a single new representative, signed by all of the Co-Sureties. The initial representative shall be _____.

[Signatures Follow]

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IN WITNESS WHEREOF, We have set our hands and seals on this _____ day of _____, 2026.

Correspondence or claims relating to this Bond should be sent to the Surety (or Co-Sureties) at the following address: _____ _____ _____ _____ **[Note: If more than one surety, then add appropriate number of lines to signature block.]**	_____ _____ _____ (Principal's name, title, and signature) _____ _____ _____ Surety Name By:_____ Attorney-in-Fact

NOTE: Signatures of those executing for the Surety (or Co-Sureties) must be properly acknowledged, and a Power of Attorney attached.

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CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

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APPENDIX 7-A-2

FORM OF PHASE 2 PERFORMANCE BOND

NTP PHASE 2 RIDER

This Rider shall be attached to and form a part of Bond No. _____ ("Performance Bond").

WHEREAS, on or about _____, _____, SC Constructors, a Joint Venture authorized to do business in the State of California ("Principal"), entered into the Progressive Design-Build Contract, dated March 10, 2026 (as amended from time to time, "Contract") with the Riverside County Transportation Commission, a public entity of the State of California ("RCTC") to provide progressive design-build services for the I-15 Express Lanes Project Southern Extension (as defined in the Contract);

WHEREAS, initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Contract;

WHEREAS, RCTC requires that Principal provide a performance bond for Phase 1 and Phase 2, respectively; and

WHEREAS, Principal and _____ ("Surety" or "Co-Sureties") have agreed to execute and deliver this Rider to the Performance Bond as a condition precedent to Phase 2 Approval on the terms and conditions herein stated.

NOW, THEREFORE, Principal and Surety (or Co-Sureties) are held and firmly bound unto RCTC in the sum of $_____ **[100% of the GMP (Phase 2) plus 100% of the Total Lump Sum (Phase 1)]** ("Phase 2 Bonded Sum"), for payment of which sum Principal and Surety (or Co-Sureties) jointly and severally firmly bind themselves and their successors and assigns.

The following terms and conditions shall apply with respect to this Rider:

1. The Surety (or Co-Sureties) shall not be liable under the Performance Bond to RCTC unless RCTC shall make payments to Principal (or in the case the Surety (or Co-Sureties) arranges for completion of the Contract, to the Surety (or Co-Sureties)) in accordance with the terms of the Contract as to payments and shall perform all other obligations to be performed under the Contract in all material respects at the time and in the manner therein set forth such that no material default by RCTC shall have occurred and be continuing under the Contract.

2. The aggregate liability of the Surety (or Co-Sureties) under the Performance Bond to RCTC is limited to the penal sum of the Phase 2 Bonded Sum. The total liability of the Surety (or Co-Sureties) shall in no event exceed the amount recoverable from Principal by RCTC under the Contract.

3. The Surety may, at its option, make any payments under the Performance Bond and Rider by check issued to RCTC.

4. It is further understood and agreed that nothing contained in this Rider shall be held to change, alter or vary the terms of the attached Performance Bond except as set forth in this Rider. In the event of a conflict between the Performance Bond and this Rider, this

Rider shall govern and control. All references to the Performance Bond, either in the Performance Bond or in this Rider, shall include and refer to the Performance Bond as supplemented and amended by this Rider. Except as herein modified, the Performance Bond shall be and remains in full force and effect.

5. The Rider may be executed in two or more counterparts, each of which shall be deemed to be an original, but which together shall constitute one and same instrument.

Signed, sealed and dated this _____ day of _____, 2026.

Attest:

(SEAL)

_____
Secretary

_____
(Name of Principal)

By: _____
Title: _____

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name: _____

Agent's Address: _____

_____
(Surety / Co-Surety)

By: _____
Title: _____

_____
_____
(Business Address of Surety / Co-Surety)

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name: _____

Agent's Address: _____

_____
(Co-Surety)

By: _____
Title: _____

_____
_____
(Business Address of Co-Surety)

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name: _____

Agent's Address: _____

_____
(Co-Surety)

By: _____
Title: _____

_____
_____
(Business Address of Co-Surety)

DRAFT

Attest:

(SEAL)

(Co-Surety)

Signature

Bonding Agent's Name:

Agent's Address:

By:

Title:

(Business Address of Co-Surety)

[Note: Add lines to signature block if needed, and strike signature lines not used.]

[Note: This Rider shall be signed by authorized persons. Where such persons are signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm, partnership, or joint venture, or an officer of the legal entity involved, evidence of authority must be furnished.]

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CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

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APPENDIX 7-A-3

FORM OF MULTIPLE OBLIGEE RIDER

(PERFORMANCE BONDS)

This Rider is executed concurrently with and shall be attached to and form a part of Performance Bond No. _____ ("Performance Bond").

WHEREAS, on or about _____, _____, SC Constructors, a Joint Venture authorized to do business in the State of California ("Principal"), entered into the Progressive Design-Build Contract, dated March 10, 2026 (as amended from time to time, "Contract") with the Riverside County Transportation Commission, a public entity of the State of California ("RCTC"), as the primary obligee, for progressive design-build services for the I-15 Express Lanes Project Southern Extension (as defined in the Contract); and

WHEREAS, initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Contract; and

WHEREAS, RCTC requires that Principal provide a performance bond and that the **[INSERT ADDITIONAL PARTIES]** (together "Additional Obligee(s)") be named as additional obligee(s) under the Performance Bond; and

WHEREAS, Principal and _____ (the "Surety" or "Co-Sureties") have agreed to execute and deliver this Rider concurrently with the execution of the Performance Bond upon the conditions herein stated.

NOW, THEREFORE, the undersigned hereby agree and stipulate as follows:

The Additional Obligee(s) is/are hereby added to the Performance Bond as named obligee(s).

The Surety (or Co-Sureties) shall not be liable under the Performance Bond to RCTC, the Additional Obligee(s), or any of them, unless RCTC, the Additional Obligee(s), or any of them shall make payments to Principal (or in the case the Surety (or Co-Sureties) arranges for completion of the Contract, to the Surety (or Co-Sureties)) in accordance with the terms of the Contract as to payments and shall perform all other obligations to be performed under the Contract in all material respects at the time and in the manner therein set forth, such that no material default by RCTC shall have occurred and be continuing under the Contract.

The aggregate liability of the Surety (or Co-Sureties) under the Performance Bond, to any or all of the obligee(s), as its/their interests may appear, is limited to the penal sum of the Performance Bond. The rights of the Additional Obligee(s) under this Rider are subject to the same defenses Principal and/or the Surety (or Co-Sureties) have against RCTC. The total liability of the Surety (or Co-Sureties) shall in no event exceed the amount recoverable from Principal by RCTC under the Contract.

The Surety may, at its option, make any payments under the Performance Bond by check issued jointly to all of the obligees.

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It is further understood and agreed that nothing contained in this Rider shall be held to change, alter or vary the terms of the attached Performance Bond except as set forth above. In the event of a conflict between the Performance Bond and this Rider, this Rider shall govern and control. All references to the Performance Bond, either in the Performance Bond or in this Rider, shall include and refer to the Performance Bond as supplemented and amended by this Rider. Except as herein modified, the Performance Bond shall be and remains in full force and effect.

This Rider may be executed in two or more counterparts, each of which shall be deemed to be an original, but which together shall constitute one and same instrument.

Signed, sealed and dated this _____ day of _____, 2026.

Attest:

(SEAL)

_____
Secretary

_____
(Name of Principal)

By: _____
Title: _____

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name: _____

Agent's Address: _____

_____
(Surety / Co-Surety)

By: _____
Title: _____

_____
_____
(Business Address of Surety / Co-Surety)

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name: _____

Agent's Address: _____

_____
(Co-Surety)

By: _____
Title: _____

_____
_____
(Business Address of Co-Surety)

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name: _____

Agent's Address: _____

_____
(Co-Surety)

By: _____
Title: _____

_____
_____
(Business Address of Co-Surety)

DRAFT

Attest:

(SEAL)

(Co-Surety)

Signature

Bonding Agent's Name:

Agent's Address:

By:

Title:

(Business Address of Co-Surety)

[Note: Add lines to signature block if needed, and strike signature lines not used.]

[Note: The bond shall be signed by authorized persons. Where such persons are signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm, partnership, or joint venture, or an officer of the legal entity involved, evidence of authority must be furnished.]

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CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ **(Seal)**

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EXHIBIT 7-B

FORM OF PAYMENT BONDS

Appendix 7-B-1	Form of Phase 1 Payment Bond
Appendix 7-B-2	Form of Phase 2 Payment Bond
Appendix 7-B-3	Form of Multiple Obligee Rider

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APPENDIX 7-B-1

FORM OF PHASE 1 PAYMENT BOND

Contract No.: _____

Bond No.: _____

WHEREAS, the Riverside County Transportation Commission, a public entity of the State of California ("RCTC"), as the primary obligee, has awarded to SC Constructors, a Joint Venture authorized to do business in the State of California ("Principal"), the Progressive Design-Build Contract, dated March 10, 2026 (as amended from time to time, "Contract") to provide progressive design-build services for the I-15 Express Lanes Project Southern Extension (as defined in the Contract) on the terms and conditions in the Contract; and

WHEREAS, Principal is required to furnish a bond guaranteeing payment of claims for Phase 1 Work on or before delivering to RCTC the executed Contract.

NOW THEREFORE, We the undersigned Principal, _____, a _____ (the "Surety" or "Co-Sureties"), an admitted surety insurer in the State of California, are held and firmly bound unto RCTC, in the sum of $38,457,635 subject to increase in accordance with the NTP Phase 2 Rider ("Bonded Sum") for the payment whereof, well and truly to be paid to RCTC, we bind ourselves, our heirs, successors, executors, administrators, and assigns, jointly and severally firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

1. The Contract is incorporated by reference in this Bond. Unless the context otherwise requires, capitalized terms used but not separately defined in this Bond have the meaning given to them in the Contract. If Principal, or its Subcontractors, or their respective heirs, executors, administrators, successors or assigns, shall fail to pay:

(a) any of the Persons named in California Civil Code section 9100 involved in prosecution of the Work, including the design and engineering services, and/or construction services, as provided for in the Contract, or

(b) any amounts due under the Unemployment Insurance Code, with respect to work or labor performed by such claimant under the Contract or Subcontracts, or

(c) any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Principal and its Subcontractors pursuant to Revenue and Taxation Code section 18662 et seq. with respect to such work and labor, or

(d) anyone required to be paid by law,

then the Surety (or Co-Sureties) shall pay for the same, in an aggregate amount not exceeding the sum specified in this Bond, otherwise the above obligation shall be null and void. In case suit is brought upon this Bond, the Surety (or Co-Sureties) will pay reasonable attorneys' fees to be fixed by the court.

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2. This Bond shall inure to the benefit of any of the persons named in Civil Code section 9100 or anyone required to be paid by law under the Contract so as to give a right of action to such Persons or their assigns in any suit brought upon this Bond.

3. The Surety (or Co-Sureties) agree(s) that no change, extension of time, alterations, additions, omissions or other modifications of the terms of the Contract, or in the Work to be performed with respect to the I-15 Express Lanes Project Southern Extension, or in the specifications or plans, or any change or modification of any terms of payment or extension of time for any payment pertaining or relating to the Contract, or any rescission or attempted rescission of this Bond, solely due to acts of Principal, or any fraud practiced by any other person other than the claimant seeking to recover from this Bond, shall in any way affect its obligations on this Bond, and it hereby waives notice of such changes, extension of time, alterations, additions, omissions or other modifications.

4. This Bond shall cover all payment obligations under the Contract.

5. **[Use in case of multiple or co-sureties]** The Co-Sureties agree to empower a single representative with authority to act on behalf of all of the Co-Sureties with respect to this Bond, so that RCTC and claimants will have no obligation to deal with multiple sureties under this Bond. All correspondence from RCTC or claimants to the Co-Sureties and all claims under this Bond shall be sent to such designated representative. The designated representative may be changed only by delivery of written notice (by personal delivery or by certified mail, return receipt requested) to RCTC designating a single new representative, signed by all of the Co-Sureties. The initial representative shall be _____.

[Signatures Follow]

DRAFT

IN WITNESS WHEREOF, We have hereunto set our hands and seals on this _____ day of _____, _____.

Correspondence or claims relating to this Bond should be sent to the Surety (or Co-Sureties) at the following address:

_____

_____

_____

_____

[Note: If more than one surety, then add appropriate number of lines to signature block.]

_____

_____

_____

(Principal's name, title, and signature)

_____

_____

_____

Surety Name

By:_____

Attorney-in-Fact

NOTE: Signatures of those executing for the Surety (or Co-Sureties) must be properly acknowledged, and a Power of Attorney attached.

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CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

DRAFT

APPENDIX 7-B-2

FORM OF PHASE 2 PAYMENT BOND

NTP PHASE 2 RIDER

This Rider to be attached to and form part of

Bond No.: _____

Type of Bond: _____
the "Payment Bond"

dated effective _____
(Month – Day – Year)

_____
as "Principal"

and by _____, as "Surety" or "Co-Sureties,"

in favor of Riverside County Transportation Commission, a public entity of the State of California, as the primary obligee.

In consideration of the mutual agreements herein contained Principal and the Surety (or Co-Sureties) hereby consent to the following:

The Bonded Sum (as defined in the Payment Bond) is hereby increased to the amount of $_____[100% of the Total Lump Sum (Phase 1) plus 100% of the GMP (Phase 2)].

This rider is effective _____

(Month – Day – Year)

[Signatures Follow]

DRAFT

Nothing herein contained shall vary, alter or extend any provision or condition of the Payment Bond except as herein expressly stated.

Signed, sealed and dated this _____ day of _____, 2026.

Attest:

(SEAL)

_____
Secretary

_____
(Name of Principal)

By: _____
Title: _____

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name:_____

Agent's Address:_____

_____
(Surety / Co-Surety)

By:_____
Title:_____

_____
_____
(Business Address of Surety / Co-Surety)

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name:_____

Agent's Address:_____

_____
(Co-Surety)

By:_____
Title:_____

_____
_____
(Business Address of Co-Surety)

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name:_____

Agent's Address:_____

_____
(Co-Surety)

By:_____
Title:_____

_____
_____
(Business Address of Co-Surety)

Attest:

(SEAL)

_____
(Co-Surety)

DRAFT

_____	By: _____
Signature	Title: _____
Bonding Agent's Name: _____	_____
	_____
Agent's Address: _____	(Business Address of Co-Surety)

[Note: Add lines to signature block if needed, and strike signature lines not used.]

[Note: This Rider shall be signed by authorized persons. Where such persons are signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm, partnership, or joint venture, or an officer of the legal entity involved, evidence of authority must be furnished.]

DRAFT

CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

DRAFT

APPENDIX 7-B-3

FORM OF MULTIPLE OBLIGEE RIDER

(PAYMENT BONDS)

This Rider is executed concurrently with and shall be attached to and form a part of Payment Bond No. _____ ("Payment Bond").

WHEREAS, on or about _____, _____, SC Constructors, a Joint Venture authorized to do business in the State of California ("Principal"), entered into the Progressive Design-Build Contract, dated [_____] (as amended from time to time, "Contract") with the Riverside County Transportation Commission, a public entity of the State of California ("RCTC"), as the primary obligee, for progressive design-build services for the I-15 Express Lanes Project Southern Extension (as defined in the Contract); and

WHEREAS, initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Contract; and

WHEREAS, RCTC requires that Principal provide a payment bond and that the **[INSERT ADDITIONAL PARTIES]** (together "Additional Obligee(s)") be named as additional obligee(s) under the Payment Bond; and

WHEREAS, Principal and _____ (the "Surety" or "Co-Sureties") have agreed to execute and deliver this Rider concurrently with the execution of the Payment Bond upon the conditions herein stated.

NOW, THEREFORE, the undersigned hereby agree and stipulate as follows:

1. The Additional Obligee(s) is/are hereby added to the Payment Bond as named obligee(s).

2. The Surety (or Co-Sureties) shall not be liable under the Payment Bond to RCTC, the Additional Obligee(s), or any of them, unless RCTC, the Additional Obligee(s), or any of them shall make payments to Principal (or in the case the Surety (or Co-Sureties) arranges for completion of the Contract, to the Surety (or Co-Sureties)) in accordance with the terms of the Contract as to payments and shall perform all other obligations to be performed under the Contract in all material respects at the time and in the manner therein set forth, such that no material default by RCTC shall have occurred and be continuing under the Contract.

3. The aggregate liability of the Surety (or Co-Sureties) under the Payment Bond, to any or all of the obligee(s), as its/their interests may appear, is limited to the penal sum of the Payment Bond. The rights of the Additional Obligee(s) under this Rider are subject to the same defenses Principal and/or the Surety (or Co-Sureties) have against RCTC. The total liability of the Surety (or Co-Sureties) shall in no event exceed the amount recoverable from Principal by RCTC under the Contract.

4. The Surety may, at its option, make any payments under the Payment Bond by check issued jointly to all of the obligees.

5. It is further understood and agreed that nothing contained in this Rider shall be held to change, alter or vary the terms of the attached Payment Bond except as set forth above. In the

DRAFT

event of a conflict between the Payment Bond and this Rider, this Rider shall govern and control. All references to the Payment Bond, either in the Payment Bond or in this Rider, shall include and refer to the Payment Bond as supplemented and amended by this Rider. Except as herein modified, the Payment Bond shall be and remains in full force and effect.

6. This Rider may be executed in two or more counterparts, each of which shall be deemed to be an original, but which together shall constitute one and same instrument.

Signed, sealed and dated this _____ day of _____, 2026.

Attest:

(SEAL)

_____
Secretary

_____
(Name of Principal)

By: _____
Title: _____

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name:_____

Agent's Address:_____

_____
(Surety / Co-Surety)

By:_____
Title:_____

_____

_____
(Business Address of Surety / Co-Surety)

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name:_____

Agent's Address:_____

_____
(Co-Surety)

By:_____
Title:_____

_____

_____
(Business Address of Co-Surety)

Attest:

(SEAL)

_____
Signature
Bonding Agent's Name:_____

Agent's Address:_____

_____
(Co-Surety)

By:_____
Title:_____

_____

_____
(Business Address of Co-Surety)

DRAFT

Attest:

(SEAL)

(Co-Surety)

Signature

By:

Bonding Agent's Name:

Title:

Agent's Address:

(Business Address of Co-Surety)

[Note: Add lines to signature block if needed, and strike signature lines not used.]

[Note: The bond shall be signed by authorized persons. Where such persons are signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm, partnership, or joint venture, or an officer of the legal entity involved, evidence of authority must be furnished.]

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EXHIBIT 7-C

FORM OF WARRANTY BOND

Contract No. _____
Bond No. _____

KNOW ALL PEOPLE BY THESE PRESENTS,

THAT WHEREAS, the Riverside County Transportation Commission, a California public entity (the "Obligee") has awarded to SC Constructors (the "Principal"), a Progressive Design-Build Contract (as amended from time to time, the "Contract"), which Contract is specifically incorporated by reference in this Bond, for the progressive design and construction of the I-15 Express Lanes Project Southern Extension (the "Project") through a progressive design-build method of procurement, as authorized under Section 22180 et. seq. of the Public Contract Code;

AND WHEREAS, initially capitalized terms not otherwise defined in this Bond have the meaning given in the Contract;

AND WHEREAS, as a condition to Final Acceptance and release of the Performance Bond and Payment Bond, Principal is required to furnish a bond (this "Bond") guaranteeing the faithful performance of its obligations under the Contract after Final Acceptance, including payments owing to persons named in California Civil Code Section 9100;

NOW THEREFORE, We the undersigned Principal and _____ (the "Surety" or "Co-Sureties"), an admitted surety insurer in the State of California, are held and firmly bound unto the Obligee, in the sum of [_____] (the "Bonded Sum"), for which payment, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally firmly by these presents.

THE CONDITION OF THIS BOND IS SUCH THAT, if Principal shall promptly and faithfully perform all of its obligations under the Contract, as they may be amended or supplemented, including without limitation the performance of all Plant Establishment Work, Warranty Work, enforcement of Subcontractor warranties, and payment of claims as described in paragraph 5 below, then the obligations under this Bond shall be null and void; otherwise this Bond shall remain in full force and effect, it being expressly understood and agreed that the liability of Surety for any and all claims hereunder shall in no event exceed the Bonded Sum.

The following terms and conditions shall apply with respect to this Bond:

1. The Contract is incorporated by reference into this Bond.

2. If the above bound Principal, or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by and well and truly keep and perform the covenants, conditions, obligations and agreements in the Contract, including any and all amendments, supplements, and alterations made to the Contract as therein provided, on the Principal's part to be kept and performed at the time and in the manner therein specified, and shall indemnify, defend and save harmless the Obligee and all other Indemnified Parties, as therein stipulated, then this obligation shall become and be null and void; otherwise, it shall be and remain in full force and virtue.

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3. This Bond shall cover the cost to perform all the obligations of the Principal pursuant to the Contract, including warranty Work. The obligations covered by this Bond specifically include all payment obligations, liability for damages and warranties as specified in the Contract, but not to exceed the Bonded Sum.

4. Whenever the Principal shall be, and is declared by the Obligee to be, in default under the Contract, the Surety (or Co-Sureties) shall promptly:

(a) remedy such default, or

(b) complete the work and perform the obligations covered by this Bond in accordance with the terms and conditions of the Contract then in effect, or

(c) select a contractor or contractors to complete the work and perform the obligations covered by this Bond in accordance with the terms and conditions of the Contract then in effect, using a contractor or contractors approved by the Obligee in its sole discretion, arrange for a contract that contains substantially the same terms and conditions of the Contract between such contractor or contractors and the Obligee, and make available as work progresses (even though there should be a default or a succession of defaults under such contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the unpaid balance of the Contract Price; but not exceeding, including other costs and damages for which the Surety (or Co-Sureties) is (are) liable hereunder, the Bonded Sum.

5. This Bond shall inure to the benefit of the persons named in Civil Code Section 9100 or anyone required to be paid by law under the Contract so as to give a right of action to such persons or their assigns in any suit brought upon this Bond. The obligations covered by this Bond specifically include:

(a) payments owing to any of the persons named in California Civil Code Section 9100 involved in prosecution of the Work, including the design and engineering services or construction services, as provided for in the Contract, or

(b) any amounts due under the Unemployment Insurance Code, with respect to work or labor performed by such claimant under the Contract or subcontracts, or

(c) any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Principal and its subcontractors pursuant to Revenue and Taxation Code Section 18662 et seq. with respect to such work and labor, and

(d) any other payments owing to anyone required to be paid by law.

In case suit is brought to enforce the provisions of this paragraph 5, the Surety (or Co-Sureties) will pay a reasonable attorney's fee, to be fixed by the court.

6. The Surety (or Co-Sureties) agree(s) that no change, extension of time, alterations, additions, omissions or other modifications of the terms of the Contract, or in the work to be performed with respect to the Project, or in the specifications or plans, or any change or modification of any terms of payment or extension of time for any payment pertaining or relating to the Contract, or any rescission of this Bond, solely due to acts of Principal, or any fraud practiced by any other person other than the claimant seeking to recover this Bond, shall in any way affect its obligations on this Bond, and it does hereby waive notice of such changes, extension of time, alterations, additions, omissions or other modifications.

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7. **[Use in case of multiple or co-sureties]** The Co-Sureties agree to empower a single representative with authority to act on behalf of all of the Co-Sureties with respect to this Bond, so that the Obligee and claimants will have no obligation to deal with multiple sureties hereunder. All correspondence from the Obligee or claimants to the Co-Sureties and all claims under this Bond shall be sent to such designated representative. The designated representative may be changed only by delivery of written notice (by personal delivery or by certified mail, return receipt requested) to the Obligee designating a single new representative, signed by all of the Co-Sureties. The initial representative shall be _____."

DRAFT

In witness whereof, we have hereunto set our hands and seals on this _____ day of_____.

NOTE: Signatures of those executing for the Surety (or Co-Sureties) must be properly acknowledged, and a Power of Attorney attached.

DRAFT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

) ss.
COUNTY OF _____)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.
(AFFIX NOTARIAL SEAL)

_____
NOTARY PUBLIC

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APPENDIX 7-C-1

FORM OF MULTIPLE OBLIGEE RIDER

(Warranty Bond)

MULTIPLE OBLIGEE RIDER

This Rider is executed concurrently with and shall be attached to and form a part of Warranty Bond No. _____.

WHEREAS, on or about the _____ day of _____, 20__, _____, (hereinafter called the "Principal"), entered into a Design-Build Contract bearing the date of _____, 2026 (as amended from time to time, hereinafter called the "Contract") with Riverside County Transportation Authority, a California public entity (hereinafter called the "Primary Obligee") for the progressive design and construction of the I-15 Express Lanes Project Southern Extension (the "Project") through a progressive design-build method of procurement, as authorized under Section 22180 et. seq. of the Public Contract Code; and

WHEREAS, initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Contract; and

WHEREAS, the Primary Obligee requires that the Principal provide a performance bond and that the California Department of Transportation (the "Department") be named as additional obligee under the performance bond; and

WHEREAS, the Principal and _____ (the "Surety" or Co-Sureties") have agreed to execute and deliver this Rider concurrently with the execution of the Warranty Bond No._____ (hereinafter referred to as the "Warranty Bond") upon the conditions herein stated.

NOW, THEREFORE, the undersigned hereby agree and stipulate as follows:

1. The Department is hereby added to the Warranty Bond as named obligee (hereinafter referred to as "Additional Obligee").

2. The Surety shall not be liable under the Warranty Bond to the Primary Obligee, the Additional Obligee, or any of them, unless the Primary Obligee, the Additional Obligee, or any of them shall make payments to the Principal (or in the case the Surety arranges for completion of the Contract, to the Surety) in accordance with the terms of the Contract as to payments and shall perform all other obligations to be performed under the Contract in all material respects at the time and in the manner therein set forth such that no material default by the Primary Obligee shall have occurred and be continuing under the Contract.

3. The aggregate liability of the Surety under the Warranty Bond, to any or all of the obligees, as their interests may appear, is limited to the penal sum of the Warranty Bond. The Additional Obligees' rights hereunder are subject to the same defenses the Principal and/or the Surety have against the Primary Obligee. The total liability of the Surety shall in no event exceed the amount recoverable from the Principal by the Primary Obligee under the Contract.

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4. The Surety may, at its option, make any payments under the Warranty Bond by check issued jointly to all of the obligees.

5. It is further understood and agreed that nothing contained in this Rider shall be held to change, alter or vary the terms of the attached Warranty Bond except as set forth hereinabove. In the event of a conflict between the Warranty Bond and this Rider, this Rider shall govern and control. All references to the Warranty Bond, either in the Warranty Bond or in this Rider, shall include and refer to the Warranty Bond as supplemented and amended by this Rider. Except as herein modified, the Warranty Bond shall be and remains in full force and effect.

6. The Rider may be executed in two or more counterparts, each of which shall be deemed to be an original, but which together shall constitute one and same instrument.

Signed, sealed and dated this _____ day of _____, 20__.

_____

(Principal) (Seal)

By: _____

(Title)

_____

(Surety)
(Seal)

By: _____

, Attorney-in-Fact

DRAFT

EXHIBIT 8

INVOICE AND INVOICE CERTIFICATE

Exhibit 8-A Phase 1 Invoice

Exhibit 8-B Phase 1 Invoice Certificate

DRAFT

EXHIBIT 8-A

PHASE 1 INVOICE

[Phase 2 Invoice form to be developed during Phase 1]

SC Constructors
1234 XXXXX Rd, Suite 123 - City, California ZIP CODE - (999) 999-9999 - Fax: (999) 999-9999 - www.DesignBuilder.com

DATE: **MM/DD/YYYY**

David Thomas, P.E.
Toll Program Manager
Riverside County Transportation Commission
4080 Lemon Street, Third Floor
Riverside, California 92501

Attention: Accounts Payable

Reference: **Project Design and Construction (DB) Activities for the I-15 Express Lanes Project Southern Extension (ELPSE)**	**DB Invoice No:** **Month**	**1** **YYYY**
Contract No. [_____]	**Agency's Project No:**	**XX-XX-XXX-XX**
Invoice # 001; xx	**DB Job No:**	**ZZZZZ**

For professional, technical, and construction services rendered in connection with Progressive Design-Build Contract for I-15 Express Lanes Project Southern Extension. Contract No. [_____]

Invoice period covered is: [_____] through [_____]

ORIGINAL LUMP SUM (PHASE 1):	$	-
AUTHORIZED CHANGES:	$	-
TOTAL LUMP SUM (PHASE 1):	$	-
TOTAL INVOICE TO DATE:	$	-
TOTAL PREVIOUSLY BILLED:	$	-
ADJUSTMENT TO PREVIOUS PERIOD INVOICE:	$	-
ADJUSTED TOTAL PREVIOUSLY BILLED:	$	-
BALANCE REMAINING:	$	-
AMOUNT DUE INVOICE # XXX	**$**	**-**

DRAFT

I certify that the hours and salary rates charged in this invoice are the actual hours worked and rates paid to the employee(s) listed.

Very truly yours,

SC Constructors

Project Manager

cc: RCTC, Project Coordinator
cc: PCM, Project Controls Manager

DRAFT

EXHIBIT 8-B

PHASE 1 INVOICE CERTIFICATE

Design and Construction Quality Validation Certificate for Payment In accordance with the Contract, based on on-site observations and the data comprising the above application, the Design and Construction Quality Validation certifies to RCTC that, to the best of the DB Contractor's knowledge, information, and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract, and the DB Contractor is entitled to payment of the amount certified.

Design Quality Validation:	**Construction Quality Validation:**
By:_____ Name_____ Title:_____ Date:_____	By:_____ Name_____ Title:_____ Date:_____

This certification is not negotiable. The amount certified is payable only to the DB Contractor named herein. Issuance of payment and acceptance of payment are without prejudice to any rights of RCTC or the DB Contractor under this Contract.

The undersigned DB Contractor certifies that to the best of the DB Contractor's knowledge, information, and belief that the Work covered by this application for payment has been completed in accordance with the Contract, that all amounts have been paid by the DB Contractor for Work for which previous certificates for payment were issued and payments received from the Owner, and that current payment shown herein is now due. All current Subcontractors and vendors invoices are included in this payment request.

SC Constructors

DB Contractor:

By:_____
Name_____
Title:_____

Date:_____

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EXHIBIT 9

PROJECT SPECIFIC INFORMATION (PHASE 2)

DRAFT

EXHIBIT 9-A

CONTRACT PARTICULARS (PHASE 2)

<table>
<tr><td colspan="4">GLOSSARY OF TERMS, INTERPRETATION AND MISCELLANEOUS</td></tr>
<tr><td colspan="4">Major Approvals (Section 11.2.4)</td></tr>
<tr><td colspan="2">RCTC Liquidated Damages
(Section 25.1.1)</td><td colspan="2">[Liquidated Damages are associated with Phase 2 and will be developed during Phase 1, and inserted into the Contract]</td></tr>
<tr><td colspan="4">GMP (PHASE 2)
(Section 18)</td></tr>
<tr><td rowspan="6">Target Cost of the Work</td><td colspan="2">Category</td><td>Amount</td></tr>
<tr><td colspan="2">Target Cost of the Work (excluding Cost of the Work Contingency and Allowance)</td><td>[To be included in Phase 2 Amendment based on Phase 2 Proposal and subject to negotiation and agreement with RCTC]</td></tr>
<tr><td colspan="2">Cost of the Work Contingency</td><td>[To be included in Phase 2 Amendment based on Phase 2 Proposal and subject to negotiation and agreement with RCTC]</td></tr>
<tr><td rowspan="2">Allowance(s)</td><td>Allowance Item</td><td>Allowance Value</td></tr>
<tr><td>[To be included in Phase 2 Amendment]</td><td>[To be included in Phase 2 Amendment]</td></tr>
<tr><td colspan="2">Total of Allowance Values</td><td>[To be included in Phase 2 Amendment based on Phase 2 Proposal and subject to negotiation and agreement with RCTC]</td></tr>
<tr><td colspan="2">Total Target Cost of the Work:</td><td></td></tr>
</table>

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DB Contractor's Markup (Phase 2)	**[To be included in Phase 2 Amendment not to exceed the DB Contractor's Maximum DB Markup (Phase 2) applied to Target Cost of the Work, as negotiated and approved by RCTC and subject to negotiations between the Parties]**	
Premiums for bonds and insurance for Phase 2	**[To be included in Phase 2 Amendment based on Phase 2 Proposal and subject to negotiations between the Parties]**	
Total GMP (Phase 2)	**[To be included in final executed contract based on total Target Cost of the Work, DB Contractor's Fee (Phase 2) and Premiums for Bonds and Insurance]**	
PHASE 2 MILESTONES		
Phase 2 Milestones and Milestone Deadlines: (Sections 7.9, 7.10)	**Phase 2 Milestone**	**Phase 2 Milestone Deadline**
	NTP Phase 2	**[To be included in Phase 2 Amendment based on Phase 2 Proposal]**
	Toll Package Turnovers	**[To be included in Phase 2 Amendment based on Phase 2 Proposal]**
	[Milestones may be added during Phase 2]	**[To be included in Phase 2 Amendment based on Phase 2 Proposal]**
	Substantial Completion	**[To be included in Phase 2 Amendment]**
	Project Completion	**[To be included in Phase 2 Amendment]**
	Final Acceptance	**[To be included in Phase 2 Amendment]**
NATURE OF CONTRACT		

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Conditions to Phase 2 Amendment Execution (Section 7.5)	**[To be included in Phase 2 Amendment]**
Conditions to NTP Phase 2 (Section 7.9)	DB Contractor has delivered to RCTC: 1. Insurance policies, certificates of insurance, riders to its existing insurance policies or other evidence reasonably required by RCTC to confirm the existence of all the insurance coverages required for the Phase 2 Work; All Phase 2 Bonds each executed by the issuing Eligible Surety. 2. Guaranty of DB Contractor's obligations in accordance with this Contract, executed by Guarantor in the form of Exhibit 14; and 3. Any other documents, things, or assurances required by this Contract as a condition of NTP Phase 2.
Order of precedence of documents in the case of any ambiguity, discrepancy or inconsistency (Section 1.2)	1. Amendments and Change Orders 2. Contract body, other than Exhibits and Appendices 3. Contract Particulars (Phase 2) 4. Any other documents forming part of this Agreement, (including Exhibits and Appendices), other than the Technical Provisions (Phase 2), and Phase 2 Proposal Commitments 5. Technical Provisions 6. Modified Standard Specifications 7. Phase 2 Design Documentation 8. Administrative Project Plans
Phase 2 Administrative Project Plans: (Section 4.3)	1. Project Management Plan (Phase 2) 2. Subcontractor Procurement Plan 3. DBE Open Ended Performance Plan 4. Document Management Plan (Phase 2) 5. Emergency, Incident Action, and Communications Crisis Protocol Plan 6. Co-Located Office Plan 7. Field Office Plan 8. Computer and Network Administration Plan 9. Job Vehicle Leasing Plan 10. Public Outreach Plan 11. Third Party Claim Plan 12. Phase 2 Baseline Schedule 13. Quality Management Plan (Phase 2)

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	14. Environmental Permit Applications 15. Environmental Management Plan 16. Environmental Revalidations (as-required) 17. Paleontological Mitigation Plan 18. Hazardous Material and Waste Management Plan 19. Lead Compliance Plan 20. Contaminated Media Management Plan 21. Biological Monitoring Plan 22. ADL Management Plan 23. Burrowing Owl Management Plan 24. Bat Management Plan 25. Nesting Bird Management Plan 26. Stephens's Kangaroo Rat 27. Crotch's Bumble Bee Monitoring Plan 28. Fire Prevention Plan 29. Sustainability Management Plan 30. Invasive Species Management Plan 31. Construction Notice to Owner Exhibits 32. Department High-Priority Facilities Certification 33. Utility Design Approval Letters 34. Geotechnical Execution Plan 35. Memorandum describing Proposed Phase 2 Geotech work 36. Department Furnished Materials List 37. General TMP 38. PDB Contractor's Toll Turnover Package Plan 39. Project Aesthetics and Landscape Memorandum 40. Tree and Vegetation Preservation and Removal Plan 41. Weed Abatement Plan 42. Blasting Plan 43. Maintenance Work Plan 44. Preconstruction maintenance survey 45. Security Plan 46. Health and Safety Plan (Phase 2)
PERFORMANCE AND PAYMENT BONDS / INSURANCE	

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Phase 2 Performance Bond: (Section 13.2.1(a), Exhibit 7-A)	**[Sum of 100% of the Total Lump Sum (Phase 1) plus 100% of GMP (Phase 2)]**
Phase 2 Payment Bond: (Section 13.2.1(b), Exhibit 7-B)	**[Sum of 100% of the Total Lump Sum (Phase 1) plus 100% of the GMP (Phase 2)]**
Warranty Bond (Section 13.2.3, Exhibit 7-C)	**[20% of the GMP (Phase 2)]**
SITE	
Access hours for Work during Phase 2: (Section 10.1)	**[To be included in Phase 2 Amendment]**

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EXHIBIT 9-B

INTENTIONALLY OMITTED

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EXHIBIT 9-C

PHASE 1 DRAWINGS AND SPECIFICATIONS

[To be developed during Phase 1 and inserted with the Phase 2 Amendment subject to negotiation and review and approval by RCTC and to include the following:

- **Cost Validation**
- **ESA Fencing Plan**
- **Line of Sight Study**
- **Utility Strip Map**
- **Utility Conflict Matrix**
- **Sign, Tolling and Utility Service Concept Plan**
- **Civil plans (11x17 – preliminary)**
- **Structure plans (11x17 – preliminary)**
- **structural calculations**
- **draft PGSSP**
- **draft Structure SSPs**
- **draft NSSPs**
- **Draft/Final DSDD**
- **Preliminary Materials Report**
- **Preliminary Drainage Report**
- **SWDR**
- **Drainage Inventory Assessment Report**
- **Geotechnical Design Report**
- **Existing Sign Inventory**
- **TMS Inventory**
- **Line of Sight Study**
- **Landscape and Irrigation plans (11x17 – preliminary)**

DRAFT

- **Draft Final Hydrology / Hydraulics Report**
- **Draft Final Foundation Report**
- **Comment resolution matrices for all of above]**

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EXHIBIT 9-D

PHASE 2 ADMINISTRATIVE PROJECT PLANS

[To be inserted based on DB Contractor's Phase 2 Proposal, subject to negotiation and review and approval by RCTC and to include the following:

- **Project Management Plan (Phase 2)**
- **Subcontractor Procurement Plan**
- **DBE Open Ended Performance Plan**
- **Document Management Plan (Phase 2)**
- **Emergency, Incident Action, and Communications Crisis Protocol Plan (Phase 2)**
- **Co-Located Office Plan**
- **Field Office Plan**
- **Computer and Network Administration Plan**
- **Job Vehicle Leasing Plan**
- **Public Outreach Plan**
- **Third Party Claim Plan**
- **Phase 2 Baseline Schedule**
- **Quality Management Plan (Phase 2)**
- **Environmental Permit Applications for Phase 2**
- **Environmental Management Plan**
- **Environmental Revalidations (as-required)**
- **Paleontological Mitigation Plan**
- **Hazardous Material and Waste Management Plan**
- **Lead Compliance Plan**
- **Contaminated Media Management Plan**
- **Biological Monitoring Plan**
- **ADL Management Plan**

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- **Burrowing Owl Management Plan**
- **Bat Management Plan**
- **Nesting Bird Management Plan**
- **Stephens's Kangaroo Rat Plan**
- **Crotch Bumble Bee Monitoring Plan**
- **Fire Prevention Plan**
- **Sustainability Management Plan**
- **Invasive Species Management Plan**
- **Construction Notice to Owner exhibits**
- **Department High-Priority Facilities Certification**
- **Utility Design Approval Letters**
- **Estimating Methodology Report**
- **Risk Register**
- **Right of Way requirements Maps**
- **Additional properties requests**
- **Geotechnical Execution Plan**
- **Memorandum describing Proposed Phase 2 Geotech work**
- **Department Furnished Materials List**
- **General TMP**
- **PDB Contractor's Toll Turnover Package Plan**
- **Project Aesthetics and Landscape Memorandum**
- **Tree and Vegetation Preservation and Removal Plan**
- **Weed Abatement Plan**
- **Blasting Plan**
- **Maintenance Work Plan**
- **Preconstruction maintenance survey**

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- **Security Plan**
- **Health and Safety Plan (Phase 2)]**

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EXHIBIT 9-E

DB CONTRACTOR'S SCHEDULE

[Phase 2 Baseline Schedule to be inserted based on DB Contractor's Phase 2 Proposal, subject to negotiation and review and approval by RCTC]

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EXHIBIT 9-F

PHASE 2 PROPOSAL FORMS

[To include newly executed versions of the following forms related to the Phase 2 Proposal subject to negotiation and review and approval by RCTC:

Non-Collusion Affidavit using Form H;
Certification Regarding Build America, Buy America using Form I and I-2;
Conflict of Interest Disclosure Statement using Form K;
Debarment and Suspension Certification using Form P;
Iran Contracting Certification using Form M;
Disclosure of Contributions using Form F;
Executive Order N-6-22 Certification using Form T;
DBE Certification using Form J-1;
DBE Commitment Form using Form J-2;
Equal Employment Opportunity Certification using Form N;
Use of Contract Funds for Lobbying Certification using Form O.]

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EXHIBIT 9-G

[To be inserted based on Phase 2 Proposal]

LISTED SUBCONTRACTORS / SUBCONTRACTOR IDENTIFICATION FORM (PHASE 2)

Subcontractor Name, Address, Telephone No., License Number (CSLB and DIR)	Description of Subcontract Work	Dollar Amount of Subcontract	Est. Time of Performance

DB Contractor: _____

Date: _____

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EXHIBIT 10

DISPUTE REVIEW BOARD AGREEMENT

THIS DISPUTES REVIEW BOARD AGREEMENT ("Agreement") is made and entered into this ___ day of _____, 2026, among the Riverside County Transportation Commission, a public entity of the State of California ("RCTC") and SC Constructors, a Joint Venture ("DB Contractor"), and _____ (collectively, the "Board Members"), with reference to the following facts:

A. RCTC and DB Contractor have entered into that certain Progressive Design-Build Contract No. _____ dated as of _____ (as amended from time to time, the "Contract"). Pursuant to the Contract, DB Contractor has agreed to (1) extend the I-15 Express Lanes an additional 14.5 miles from Cajalco Road in Corona, through Temescal Valley, to State Route 74 (Central Avenue) in Lake Elsinore; (2) add two tolled express lanes in both directions within the I-15 median to accommodate increasing traffic volumes in Riverside County, and 3) add two southbound I-15 auxiliary lanes, including ancillary improvements along the I-15 Express Lanes, otherwise known as the I-15 Express Lanes Project Southern Extension (the "Project").

B. The Contract provides for the establishment and operation of a Disputes Review Board ("Board") to assist in resolving Disputes among RCTC and DB Contractor, and others in respect to the Project.

C. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in Exhibit 1 to the Contract.

NOW, THEREFORE, in consideration of the terms, conditions, covenants and agreements contained herein, the parties to the Agreement agree as follows:

SECTION 1. ESTABLISHMENT OF BOARD

1.1 The Board shall begin operation upon execution of this Agreement by RCTC and DB Contractor and shall terminate upon completion of all work required to be performed by the Board under this Agreement unless sooner terminated in accordance with this Agreement or applicable law. The Board shall initially consist of two members, one selected by RCTC and one selected by the DB Contractor. The first duty of the Board shall be to select its third member as provided in Section 24 of the Contract. A copy of Section 24 of the Contract is attached hereto as Exhibit A (and shall be applicable with respect to Disputes under the Contract).

1.2 Each member of the Board represents, warrants and covenants on his/her behalf that he/she:

(a) Does not have an ownership interest in any DB-Related Entity, any Affiliate, the Project and Construction Manager ("PCM"), or the Contract, except for payment for serving on the Board;

(b) Has not been employed, and his/her employer has not been employed, by RCTC, the California Department of Transportation ("Department"), any DB-Related Entity, any Affiliate, or PCM, within two years prior to award of the Contract, except for fee-based consulting services on other projects which are disclosed to all parties and not objected to by any party;

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(c) Has not had substantial prior involvement in the Project, and has not had any involvement in the Project or with RCTC, Department, any DB-Related Entity, any Affiliate, or PCM of a nature that could affect his/her ability to impartially resolve Disputes;

(d) Shall not accept employment by RCTC, Department, any DB-Related Entity, any Affiliate, or PCM during the term of the Contract and for as long thereafter as any Dispute submitted to the Board remains outstanding under the Contract, except as a member of other disputes boards; and

(e) Shall not discuss employment, nor make any agreement regarding employment with RCTC, Department, any DB-Related Entity, any Affiliate, or PCM during the term of the Contract and for as long thereafter as any Dispute submitted to the Board remains outstanding under the Contract, except as a member of other disputes boards.

1.3 Prior to hearing the first Dispute, and thereafter upon request of RCTC or DB Contractor from time to time, each Board Member shall provide RCTC and DB Contractor a declaration under penalty of perjury affirming that such member meets the qualifications set forth in Section 1.2 of this Agreement, and agrees to be bound by the terms of the Contract and this Agreement. Each Board Member shall promptly notify RCTC and DB Contractor if any circumstances are likely to prevent a prompt hearing and decision or if the member fails to meet such qualifications. Any Board Member failing at any time to meet such qualifications shall be removed from the Board.

SECTION 2. BOARD ORGANIZATION AND RESPONSIBILITIES

2.1 The Board is organized in accordance with Section 24 of the Contract, for the purposes described under the Contract. The Board shall fairly and impartially consider Disputes that arise under the Contract and shall provide written decisions for resolution of such Disputes ("Recommendations" or "final decisions," as applicable), in accordance with Section 24 of the Contract. The Board Members shall perform the services necessary to participate in the Board's actions in accordance with this Agreement.

2.2 The Board Members may visit the Site periodically to keep abreast of construction activities and to develop a familiarity with the work in progress, or as may be deemed desirable or necessary in the consideration of any Dispute. Any visits to the Site must be approved beforehand by DB Contractor and RCTC. All reasonable efforts shall be made to allow the parties to the Agreement to raise issues at such regularly scheduled site visits, except where a special visit is warranted due to special circumstances such as the need to observe site conditions before they are disturbed. In such a case, a special site visit shall be scheduled at the request of RCTC, DB Contractor, or any Board Member. Representatives of RCTC and DB Contractor shall have the right to accompany the Board on any such visit.

2.3 All Board Members are to act independently in the consideration of facts and conditions surrounding any Dispute. Seeking the Board Members' advice or consultation, ex parte, is expressly prohibited; except that either party may seek such advice or consultation from the entire Board, at a Board meeting, after first giving Notice to all interested parties. A Disputes Board member who has ex parte contact with a party or party representative shall be subject to removal from the Disputes Board for cause.

2.4 Board Members may withdraw from the Board upon delivery of Notice of withdrawal to RCTC, DB Contractor and the other Board Members, which Notice shall specify a withdrawal date at least 30 days following the date of delivery of the Notice. In addition, a member

may be terminated by RCTC or DB Contractor if at any time that member fails to meet the qualifications set forth in Section 24.3.1 of the Contract. Should the need arise to appoint a replacement Board Member, the replacement member shall be appointed in the same manner as provided by the Contract for appointment of the original member. The selection of a replacement Board Member shall begin promptly upon notification of the necessity for a replacement and shall be completed within 30 days thereafter. The change in Board membership shall be evidenced by the new member's signature on this Agreement.

2.5 The Board Members acknowledge that RCTC and DB Contractor each have the right to require appointment of a new disputes review board to resolve future Disputes, which right may be exercised at any time by delivery of Notice to such effect to the other party and to the Board Members. In such event a new agreement in the same form as this Agreement will be executed establishing the new board, and except as otherwise mutually agreed by RCTC and DB Contractor, the work to be performed by the Board established under this Agreement shall be limited to Disputes submitted to the Board before delivery of the Notice requiring appointment of a new Board. Nothing shall prohibit a party from reappointing its current member.

2.6 The personal services of the Board Member are a condition to receiving payment under this Agreement. No Board Member shall assign any of his or her work pursuant to this Agreement without the prior written consent of both RCTC and DB Contractor.

2.7 Each Board Member, in the performance of his or her duties on the Board, is acting as an independent contractor and not as an employee of either RCTC or DB Contractor. No Board Member will be entitled to any employee benefits.

SECTION 3. HEARINGS AND DECISIONS

3.1 Each Party may elect to submit a Dispute under the Contract to be heard by the Board as provided in Section 24 of the Contract.

3.2 In general, the Board shall have the right to establish its own procedures and time limits, including the right to establish or to waive evidentiary rules and procedures. Each party shall retain the right to discovery as provided in the Contract and to present its witnesses and evidence in its own discretion, within the parameters established by the Board.

3.3 Upon receipt by the Board of a "complaint" pursuant to Section 24.4.3 of the Contract, either from DB Contractor or RCTC, the Board shall convene a hearing to review and consider the matter as quickly as possible, taking into consideration the particular circumstances and the time required to prepare detailed documentation. Both RCTC and DB Contractor are encouraged to provide exhibits, calculations, and any other pertinent material to the Board for review prior to the hearing. All such material shall concurrently be given to the other party.

3.4 The Board shall convene to consider questions presented to it and shall at the conclusion of each hearing either provide the Recommendation or final decision, as applicable, or advise the parties when the Recommendation or final decision will be forthcoming.

SECTION 4. PROVISION OF DOCUMENTS TO BOARD

4.1 RCTC shall furnish each Board Member one copy of the Contract and other documents RCTC has that are pertinent to the Board's work.

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4.2 DB Contractor shall furnish to each Board Member one copy of all documents it might have, other than those furnished by RCTC, that are pertinent to the Board's work.

SECTION 5. EXPENSES

5.1 Payment for services rendered by each Board Member and for their direct, non-salary expenses shall be calculated in accordance with the payment schedule for such Board Member agreed to among RCTC, DB Contractor, and the Board Member, and RCTC and DB Contractor shall each pay its share of such payments in accordance with Section 24.8 of the Contract.

5.2 Invoices for payment for work completed shall be submitted no more often than once per month. Such invoices shall be in a format approved by RCTC and accompanied by a general description of activities performed during this period. The value of work accomplished for payment shall be established from the billing rate and hours expended by the Board Member together with direct, non-salary expenses. Billings for expenses shall include an itemized listing supported by copies of the original bills, invoices, expense accounts and miscellaneous supporting data.

5.3 Each Board Member shall keep available for inspection, for a period of five years after final payment, the cost records and accounts pertaining to this Agreement.

SECTION 6. DISPUTES INVOLVING OTHER PARTIES

6.1 The Parties to this Agreement acknowledge that certain third parties (including utility owners, Toll Services Provider, Other RCTC Contractors, public agencies, etc. with which RCTC is in contract ("Third Parties")) may subject themselves to the jurisdiction of the Disputes Board for certain disputes that affect such Third Parties.

6.2 In general, such disputes shall be heard by the then existing, three Board Members, appointed as described above and in accordance with the terms of the Contract, this Agreement, and the applicable contract between RCTC and the Third Party. Accordingly, the Third Party shall be deemed to have selected this option:

(a) Unless the Third Party delivers Notice to the Board that it intends to select a qualified consultant/Board Member with respect to such dispute, which Notice is delivered to the Board within seven days after delivery of Notice to Third Party describing the dispute and stating that Third Party is a necessary party to the dispute resolution procedure; or

(b) If Third Party fails to select a qualified consultant/Board Member, as described below, within seven days after delivery of Notice of intent to select such person.

6.3 If, however, the Third Party elects not to use the existing Board, then the parties to this Agreement shall modify the membership of the Board with respect to the dispute(s) involving the Third Party, as follows (but only if and to the extent the following rights are provided to the Third Party under its contract with RCTC):

(a) Third Party may select an advisor who shall act as a non-voting consultant to the Board with respect to the dispute; or

(b) Third Party may select a fourth Board Member who shall have the right to participate in the decision-making process under this Agreement with respect to such dispute; or

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(c) With respect to disputes which do not involve DB Contractor, the Third Party shall have the right to appoint a Board Member who shall replace the Member appointed by the DB Contractor.

6.4 In selecting a non-voting consultant/Board Member, the Third Party shall be encouraged to appoint the same individual for all disputes, so that such individual will have the opportunity to develop expertise and familiarity regarding the Project.

6.5 Any non-voting consultant or Board Member selected by Third Party shall be required to meet the qualifications for Board Members set forth in this Agreement and the Contract and shall execute and agree to be bound by the terms of this Agreement as to disputes involving the Third Party. In the event the Third Party selects the option under clause (b) of Section 6.3, the fifth Board Member shall be selected by RCTC. Disputes regarding appointment of such Members shall be subject to the dispute resolution procedures set forth in Section 24.4 of the Contract.

6.6 Expenses of the Board payable by Third Party shall be as follows:

(a) If Section 6.2 applies, Third Party shall share equally the costs and expenses for the Board in accordance with Section 24.8 of the Contract; or

(b) If clauses (a), (b), or (c) of Section 6.3 apply, Third Party shall be responsible for paying the costs and expenses for the consultant or for the Board Member that it appointed, as well as a proportionate share of the costs and expenses of the third and fifth members (subject to the right to be reimbursed for such costs and expenses as the prevailing party, as may be awarded in accordance with Section 24.8 of the Contract, together with a proportionate share of any common costs allocable to the parties to a dispute under the Contract. In determining the amount of any such payment or reimbursement of costs and expenses, the Board Members are specifically directed to consider the benefit accruing to Third Party resulting from the Board's expertise and familiarity with the Project and the expenditures previously incurred by RCTC and DB Contractor to develop such expertise and familiarity.

6.7 The provisions set forth in this Section 6 shall supersede any provisions to the contrary contained in Section 19 of the Contract.

SECTION 7. TERM

This Agreement shall commence upon execution hereof by the DB Contractor, RCTC, and the first two members of the Board. The parties to this Agreement anticipate that the Board shall continue to operate on a regular basis through the Contract's Warranty Period. The foregoing is subject to the right of RCTC and DB Contractor to terminate the services of Board Members as specified in this Agreement.

SECTION 8. MISCELLANEOUS

8.1 The parties intend for Section 24 of the Contract and the other terms of this Agreement to be complementary. Except as otherwise specifically provided in this Agreement, in the event of any conflict between this Agreement and said Section 24, Section 24 shall control.

8.2 Notices under this Agreement shall be sent as provided in Section 27.11 of the Contract. The addresses for the Board Members are set forth on the signature pages of this Agreement.

8.3 This Agreement shall be governed by and construed in accordance with the law of the State of California.

DB CONTRACTOR: SC Constructors

Skanska USA Civil West California District Inc.

By:_____

Name:_____

Title:_____

Coffman Specialties, Inc.

By:_____

Name:_____

Title:_____

RCTC

By:_____

Name:_____

Title:_____

ATTEST

By:_____

Name:_____

Title:_____

_____

Name:_____

Title:_____

APPROVED AS TO FORM:

By:_____

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BOARD MEMBERS

Address:

_____

_____

_____

_____

Address:

_____

_____

_____

_____

Address:

_____

_____

_____

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EXHIBIT 11

COST SCHEDULE

1. Overview and General Principles

1.1 This Exhibit 11 (Cost Schedule) describes the methods for calculating Cost of the Work, Fixed General Conditions Costs and Delay Costs owing or payable from RCTC to DB Contractor under the Contract.

1.2 All payments made by RCTC to DB Contractor in accordance with this Exhibit 11 (Cost Schedule) will be made as and when incurred or in arrears in accordance with Section 18 or as otherwise expressly provided under this Contract.

1.3 Appropriate regard shall be given to the time value of money and timing of cash flows. All cash flows shall be discounted or inflated to reflect when they occur (if applicable).

1.4 No amounts shall be double counted.

2. Cost of the Work

2.1 Cost of the Work means the sum of all costs necessarily incurred and paid by DB Contractor in the proper performance of the Work. In determining the amount of any Relief Event adjusting the Lump Sum or GMP for any Package, the Cost of the Work to be considered in that determination will be only those additional or incremental costs directly attributable to the Relief Event and that result in any Change to the Work or the Scope of Work.

(a) Costs Included: The Cost of the Work shall include only the items described in Section 9-1.04 of Exhibit 5 (Modified Standards Specifications);

(b) any Allowance Item;

(c) the Cost of the Work Contingency; and

(d) other costs reasonably and properly incurred in the performance of the Work to the extent approved in writing by RCTC and not included in the DB Contractor's Contingency, DB Contractor's Markup, or Lump Sum Scope of Work (as applicable).

2.2 Costs Excluded from Cost of the Work

The Cost of the Work shall not include, and DB Contractor shall not be entitled to any compensation for:

(a) items listed in Section 21.11.3 of the Contract**;**

(b) payroll costs and other compensation of DB Contractor's officers, executives, principals (of partnerships and sole proprietorships), general managers, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expediters, timekeepers, clerks, and other personnel employed by DB Contractor whether at the Site or in DB Contractor's principal or a branch office for general administration of the Work and not specifically and expressly included in the schedule of job classifications provided in the Proposal, all of which shall be considered administrative costs covered by the DB Contractor's Markup;

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(c) expenses of DB Contractor's principal and branch offices other than its office at the Site;

(d) any part of DB Contractor's capital expenses, including interest on DB Contractor's capital employed for the Work and charges against DB Contractor for delinquent payments;

(e) except as set out in Section 17 of the Contract, amounts incurred and payable for correcting defects;

(f) amounts (including damages) paid or payable by DB Contractor to any Subcontractor by reason of any breach of contract or other wrongful act or omission by DB Contractor including a breach by DB Contractor of this Contract, except to the extent that such breach or wrongful act or omission was directly caused by any breach of contract or other wrongful act or omission of RCTC;

(g) costs due to the negligence of any DB-Related Entity (including correction of any unapproved construction, defective work or damaged materials or any other Work that fails to fully comply with this Contract covered) by any guaranty, disposal of materials or equipment wrongly supplied, and making good any damage to property;

(h) other overhead or general expense costs of any kind, and the costs of any item not specifically and expressly included in Section 2 or the RCTC-approved Lump Sum (Phase 1) or GMP (Phase 2) (as applicable);

(i) during Phase 2, any costs identified as Fixed General Conditions Costs in accordance with Section 2.3, even if such costs would otherwise be included in the Cost of the Work; and

(j) other amounts not properly incurred in respect of the execution of the Subcontracted Work or which this Contract provides are to be borne by DB Contractor or to be a debt due from DB Contractor to RCTC.

2.3 Fixed General Conditions Costs.

If Phase 2 Approval is obtained or an earlier Package is approved under Section 7.8 of the Contract, the costs listed in this Section 2.3 shall be Fixed General Conditions Costs. Fixed General Conditions Costs shall not include the DB Contractor's Markup and shall only include the items in Section 21.11.3 of the Contract.

2.4 Documentation

DB Contractor shall comply with all recordkeeping and other obligations in Section 9-1.04D(6) of Exhibit 5 (Modified Standards Specifications). DB Contractor will establish and maintain cost records on an Open Book Basis in accordance with generally accepted accounting practices and submit in a form acceptable to RCTC an itemized cost breakdown together with supporting data. These records shall be submitted to RCTC on a weekly basis and at such other times as may be required under the Scope of Work. DB Contractor shall make such data available to RCTC upon request in review of any Claim or Dispute.

3. Unit Prices for Change Order Work

RCTC may elect to price Change Order work using contract unit prices as described in Section 18.7 of the Contract. If RCTC and the DB Contractor do not agree on the use of contract

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unit prices, RCTC may negotiate with the DB Contractor in accordance with Section 4. The unit prices shall be deemed to include all costs for the Change, including labor, equipment, material, overhead, markups and profit, and shall not be subject to change regardless of any change in the estimated quantities. The final price of Change Order may be lump sum or may be based upon a final determination of the quantities.

4. Negotiated Prices for Change Order Work

Lump sum compensation shall be negotiated by the Parties as set out in Section 21of the Contract.

5. Time and Materials Change Order

RCTC may issue a Time and Materials Change Order as set out in Section 21 of the Contract.

6. Applicable Overhead and Profit

The total mark-up for indirect costs, overhead and profit as a percentage of the Cost of the Work for any Changes or Relief Events (to be allocated among DB Contractor and Subcontractors who design, undertake and/or perform such Change) shall comply with Section 9-1.04 of Exhibit 5 (Modified Standards Specifications), provided however such overhead and profits shall not exceed the Maximum DB Markup.

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EXHIBIT 12

INSURANCE POLICY REQUIREMENTS

[Insurance requirements for Phase 2 may be subject to refinement by RCTC once the final scope for Phase 2 is finalized]

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INSURANCE REQUIREMENTS

All insurance required under this Contract shall be procured from insurance companies authorized to do business in California, with an A.M. Best and Company rating level of A-: VI or better, or as otherwise approved by RCTC. All limits of liability set forth in this Exhibit 12 are in U.S. dollars.

1. Primary Commercial General Liability Insurance

(a) During the period beginning with the issuance of NTP Phase 1 and ending upon Project Completion, or for such longer period as otherwise specifically provided for in Section 14 of the Contract or this Exhibit 12, DB Contractor shall obtain and maintain a policy or policies of commercial general liability insurance for bodily injury, property damage, personal injury, and advertising injury. Coverage shall be written on an occurrence form that shall provide coverage at least as broad as the coverage provided by ISO form CG 00 01. The Indemnified Parties shall be additional insureds using ISO form CG 20 10 10 01 for ongoing operations and ISO form CG 20 37 10 01 for completed operations. DB Contractor may use alternative forms, provided such form provides equivalent coverage, as approved by RCTC in its sole discretion. The policy or policies shall be endorsed to remove exclusions pertaining to railroads. There shall be no coverage-limiting endorsements unless reviewed and approved by the Indemnified Parties or their representatives. There shall be no endorsement or modification of the commercial general liability policy limiting the scope of coverage for liability assumed under an insured contract.

(b) The commercial general liability insurance coverage shall have limits of not less than $2,000,000 per occurrence, $4,000,000 general aggregate, $4,000,000 personal and advertising injury, and $4,000,000 products/completed operations aggregate. The general aggregate limit shall, by endorsement or otherwise, provide a designated aggregate limit solely for the Project using ISO form CG 25 03 05 09 or equivalent form, unless a project-specific insurance policy is purchased.

(c) Completed operations coverage shall extend for as long as there is any exposure to liability under a statute of repose or any other applicable statute, either through continuous maintenance of completed operations coverage in DB Contractor's corporate insurance program or by purchase of extended completed operations for a project-specific policy If coverage is maintained by continuous renewal for corporate policies, each subsequent general liability insurance policy issued through the statute of repose period, commencing with Project Completion, shall be endorsed with ISO form CG 20 37 10 01, or the equivalent, with the Indemnified Parties scheduled as additional insureds.

(d) All self-insured retentions for general liability insurance policies shall be disclosed to, and approved by, RCTC. All general liability insurance policies shall allow, but not require, additional insureds, as applicable, to pay self-insured retentions if the named insured fails to do so; except that for each insurance policy that has an approved self-insured retention provision, DB Contractor shall be responsible for paying any applicable self-insured retentions for its insurance policy(ies) and shall be liable to RCTC for said payments in the same manner as those interests would have been protected had the policies not contained a self-insured retention provision. Any deductible or self-insured retention amount shall be shown on any evidence of insurance provided to RCTC.

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2. Workers' Compensation/Employer's Liability Insurance

During all phases of the Project, or for such longer period as otherwise specifically provided for in Section 14 of the Contract or this Exhibit 12, DB Contractor shall obtain and maintain and shall require all Subcontractors of all tiers to obtain and maintain, a policy or policies of insurance providing workers' compensation statutory benefits and employer's liability in conformance with the laws of the State. Employer's liability limits shall be no less than $1 million by accident, $1 million by disease, and $1 million policy limit by disease. DB Contractor, and any Subcontractors performing Plant Establishment Work, shall maintain such insurance through the expiration of the Plant Establishment Period. DB Contractor and/or Subcontractor, whichever is the applicable employer, shall be the named insured on these policies. The workers' compensation policies shall provide the following:

(a) A provision extending coverage to all states operations on an "if any" basis;

(b) Coverage for liability under the United States Longshore and Harbor Workers' Compensation Act, by adding a Longshore and Harbor Workers' Compensation Act coverage endorsement (WC 00 01 06 A) on an "if any" basis; and

(c) Coverage for liability under Title 46 of the United States Code § 688 ("Jones Act") on an "if any" basis, if appropriate.

3. Automobile Liability Insurance

(a) DB Contractor shall obtain and maintain and shall require all Subcontractors of all tiers to obtain and maintain, a business auto liability policy or policies using ISO form CA 00 01 or other form providing coverage at least as broad. Each policy shall cover accidental death, bodily injury, and property damage liability arising from the ownership, maintenance, or use of all owned, non-owned, and hired vehicles connected with performance of the Work, including loading and unloading. DB Contractor's auto liability policies shall cover "any auto" ("symbol 1"). For DB Contractor or any Subcontractor of any tier, who will be involved in any way with the transportation of Hazardous Materials using its own vehicles, pollution liability coverage at least as broad as that provided under the ISO pollution liability-broadened coverage for covered autos endorsement (CA 99 48) shall be endorsed on the policy.

(b) DB Contractor's automobile liability coverage shall have a combined single limit per policy period of not less than $10,000,000 per accident and can be scheduled under the excess or umbrella liability policies. Excess or umbrella policies also shall cover "any auto" ("symbol 1"). Subcontractors' policies shall have a combined single limit of no less than $2,000,000 per accident. Such limit may be achieved through any combination of primary and following form excess insurance.

(c) DB Contractor and Subcontractors of all tiers shall maintain such insurance through Final Acceptance; except that such coverage shall be maintained for vehicles used in the performance of Warranty and any Plant Establishment Work until the expiration of the Warranty period and Plant Establishment Period, respectively. The required limits can be satisfied by a combination of a primary policy and an excess policy or policies.

4. Contractor's Pollution Liability Insurance

(a) During the period beginning with the issuance of NTP Phase 1 and continuing until issuance of NTP Phase 2, DB Contractor shall procure and maintain contractor's pollution liability

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insurance as specified below. Pollution liability insurance limits for the period prior to issuance of NTP Phase 2 shall be no less than $5,000,000 per occurrence and aggregate. Each of the Indemnified Parties shall be an additional insured under such a policy.

(b) During the period beginning with the issuance of NTP Phase 2 and ending upon Final Acceptance or for such longer period as otherwise specifically provided in Section 14 of the Contract or this Exhibit 12, DB Contractor shall obtain and maintain contractor's pollution liability (CPL) insurance with a total limit of liability of no less than $10,000,000 per occurrence and $10,000,000 in the aggregate. Coverage shall extend for as long as there is any exposure to liability under a statute of repose or any other applicable statute, either through continuous maintenance of completed operations coverage in DB Contractor's corporate insurance program or by purchase of extended completed operations for a project-specific policy

(c) The CPL policy shall be occurrence-based and include coverage for cleanup costs, third-party bodily injury and property damage, provided that the third-party property damage liability coverage includes loss of use of damaged property or of property that has not been physically injured or destroyed, resulting from pollution conditions caused by contracting operations. Coverage as required in this paragraph shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, gases, waste materials, or other irritants, contaminants, or pollutants. The CPL shall also provide coverage for transportation and off-Site disposal of materials and environmental or "natural resource" damage.

(d) Each of the Indemnified Parties shall be an additional insured under such a policy. The policy shall not contain any provision or exclusion (including any so-called "insured versus insured" exclusion or "cross-liability" exclusion) the effect of which would be to prevent, bar, or otherwise preclude any additional insured under the policy from making a claim which would otherwise be covered by such policy.

(e) DB Contractor shall require that any Subcontractor that performs environmental remediation work provide pollution and environmental impairment liability insurance with limits and scope of coverage appropriate to the exposure.

5. Umbrella or Excess Liability Insurance

(a) During the period beginning with the issuance of NTP Phase 1 and continuing until issuance of NTP Phase 2, DB Contractor may use its corporate program of insurance or project-specific insurance to meet the requirements for umbrella or excess liability insurance as specified below. Total liability insurance limits, including limits provided by umbrella or excess liability insurance in place prior to issuance of NTP Phase 2, shall be no less than $10,000,000. Each of the Indemnified Parties shall be an additional insured under such a policy.

(b) During the period beginning with issuance of NTP Phase 2 and ending upon Final Acceptance or for such longer period as otherwise specifically provided for in this Exhibit 12 or Section 14 of the Contract, DB Contractor shall obtain and maintain an umbrella or excess liability insurance policy with limits of not less than $100,000,000 that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability and employer's liability in excess of the amounts set forth in Sections 1 and 2 of this Exhibit 12. DB Contractor may use its corporate insurance program or a combination of corporate insurance and stand-alone policies to meet this requirement provided that the limits available for this Project are not subject to erosion by losses on other projects not related to this Project. RCTC reserves the right to require higher or lower

excess liability limits based on the actual scope, length, and construction value as determined by the project's milestone for NTP Phase 2.

(c) Such policy or policies shall include the following terms and conditions:

i. drop down feature requiring the policy to respond in the event that any primary insurance limits are exhausted or for occurrences covered by an umbrella policy but not covered in the underlying insurance;

ii. pay on behalf of wording as opposed to reimbursement;

iii. concurrency of effective dates with primary policies;

iv. the policies shall "follow form" to the underlying primary policies, including the provision of completed operations coverage to the additional insured Indemnified Parties as required under Section 1 of this Exhibit 12; and

v. there shall be no "contractors' limitation" endorsements, as described in Section 1, that have not been reviewed and approved by the Indemnified Parties or their authorized representatives.

6. Professional Liability Insurance

(a) During all phases of the Project, DB Contractor shall obtain and maintain contractor's professional liability insurance with limits not less than $10,000,000 per claim and in the aggregate. DB Contractor may, at its discretion, require lower limits of professional liability insurance from lower-tier design Subcontractors (e.g., smaller design firms). No self-insured retention for DB Contractor shall exceed $500,000 without prior written approval from RCTC, in its good faith discretion.

(b) Coverage shall apply specifically to all professional activities performed under this Contract. The policy(ies) shall have a retroactive date consistent with the inception of design and/or project/construction management activities. If the DB Contractor subcontracts with other design professional service providers, the DB Contractor must require professional liability insurance commensurate with the inherent risks of that trade. DB Contractor agrees to maintain this required coverage for a period of no less than three years after Substantial Completion or to purchase an extended reporting period for no less than three years after Substantial Completion. If subconsultants are separately insured, DB Contractor shall require the design professional Subcontractors to agree to maintain this coverage for a period of no less than three years after Substantial Completion or to purchase an extended reporting period for no less than three years after Substantial Completion. If DB Contractor arranges a project-specific policy to meet this requirement, that policy shall provide for a total period of no less than ten (10) years, including policy period and extended reporting period.

7. Builder's Risk

Upon commencement of construction and with approval of RCTC, DB Contractor shall obtain and maintain builder's risk insurance for the Project as specified below. The policy may be a DB Contractor corporate master builders risk insurance program or a stand-alone policy as long as the requirements of this Section 7 of Exhibit 12 are met. The named insureds shall be DB Contractor, all Subcontractors (excluding those solely responsible for design Work) of any tier, Suppliers, RCTC, and the Indemnified Parties. The status of the insureds under this requirement

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shall not be limited by the phrase "as their interests may appear" or similar language. DB Contractor is not required to maintain property insurance for any portion of the Project following acceptance thereof by RCTC, Department or a Local Agency.

(a) Minimum Scope

A builder's risk insurance policy on an "all risk" basis at full replacement cost basis, including appropriate sublimits for earthquake, flood, and windstorm for those portions of the Project comprising high value assets subject to loss from a single occurrence. Examples of such assets include materials, temporary buildings, falsework, bridges, connectors, off ramps, foundations, and other structures or items. DB Contractor may elect to cover all property using a probable maximum loss valuation if such a strategy would result in lower premium while still reasonably protecting the property as mutually agreed between RCTC and DB Contractor under the course of construction. Coverage for each asset should be applicable only for the period of construction of the specific asset and should end when the asset is put to its intended use or as otherwise approved and accepted by RCTC, which end of coverage must be approved by RCTC prior to termination.

Policy must include: (i) coverage for any ensuing loss from faulty workmanship, nonconforming work, omission or deficiency in design or specifications using a form that is no more restrictive than LEG 2; (ii) full collapse; (iii) coverage for removal of debris, subject to a sub-limit of no less than 25% of the loss or what is reasonably available in the insurance market, and insuring the buildings, structures, machinery, equipment, materials, facilities, fixtures and all other properties constituting a part of the Project; (iv) transit coverage, including ocean marine coverage (unless insured by the Supplier or through a separate marine cargo policy), with sub-limits sufficient to insure the full replacement value of any key equipment item; and (v) coverage with sub-limits sufficient to insure the full replacement value of any property or equipment stored either on or off the Site. Such insurance shall be on a form reasonably acceptable to RCTC to ensure adequacy of terms and sublimits.

8. Railroad Protective Liability

DB Contractor shall provide any coverage as may be required by any railroad as a condition of the railroad's consent for entry into railroad facilities or property. Such policy shall be effective during the period any Work is being performed within 50 feet of any railroad right of way. DB Contractor should obtain quotes for a master Railroad Protective Liability policy and choose the most practical and cost-effective alternative between such a policy versus typical RPL policies, provided that the chosen policy meets all requirements of the railroad.

9. Aircraft Liability

DB Contractor shall provide, or cause to be provided, aircraft liability insurance, with a limit of not less than $5,000,000 per occurrence or higher limits as may be required by RCTC, in all cases where any aircraft, including manned or unmanned, is used on the Project that is owned, leased or chartered by any DB-Related Entity, protecting against claims for damages resulting from such use. Any aircraft intended for use in performance of the Work, the aircraft crew, flight path and altitude, including landing of any aircraft on the Site or on any property owned by RCTC shall be subject to review and written acceptance by RCTC prior to occurrence of any such usage. If any aircraft are leased or chartered with crew and/or pilot, evidence of non-owned aircraft liability insurance will be acceptable but must be provided prior to use of the aircraft. For use of unmanned aircraft vehicles (UAV), DB Contractor or applicable subcontractor, may provide insurance either through an aircraft liability insurance policy, or by endorsement to the DB Contractor's commercial general liability insurance policy and excess

liability policies. Use of unmanned aircraft must comply with all state and federal rules and regulations, including FAA requirements.

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EXHIBIT 13

STATE AND FEDERAL REQUIREMENTS

Exhibit 13-A	State Requirements
Exhibit 13-B	Public Contract Code Section 9204
Exhibit 13-C	Federal Requirements
Exhibit 13-D	Federal Prevailing Wage Rate
Exhibit 13-E	FHWA Form 1273

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EXHIBIT 13-A

STATE REQUIREMENTS

DB Contractor shall perform its obligations under the Contract in accordance with the following requirements.

1. WORKERS' COMPENSATION

1.1 Workers' Compensation

DB Contractor shall comply with the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code.

1.2 Securing Workers' Compensation

In accordance with the provisions of Section 3700 of the California Labor Code, Contractor and its Subcontractors will be required to secure the payment of compensation to their employees.

1.3 Prevailing Wages

Pursuant to the provisions of section 1773 of the California Labor Code, RCTC has obtained the general prevailing rate of wages (which rate includes employer payments for health and welfare, pension, vacation, travel time and subsistence pay as provided for in section 1773.1 of said Code, apprenticeship or other training programs authorized by section 3093 of said Code, worker protection and assistance programs or committees established under the Federal Labor Management Cooperation Act of 1978, industry advancement and collective bargaining agreements administrative fees), provided that these payments are required under a collective bargaining agreement pertaining to the particular craft, classification, or type of work within the locality or the nearest labor market area at issue and other similar purposes applicable to the Work to be done, for straight time, overtime, Saturday, Sunday, and holiday work. The holiday wage rate listed shall be applicable to all holidays recognized in the collective bargaining agreement of the particular craft, classification or type of worker concerned; provided that if the prevailing wage rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid as provided in section 6700 of the California Government Code. Copies of the prevailing rates of wages are on file at RCTC's offices and will be furnished to DB Contractor and other interested parties on request. For crafts or classifications not shown on the prevailing wage determinations, DB Contractor may be required to pay the wage rate of the most closely related craft or classification shown in such determinations for the Work. Workers employed in the Work must be paid at the rates at least equal to the prevailing wage rates as adopted. The State prevailing wages to apply to Phase 1 shall be the DIR wage rates applicable upon the date when the final RFP is issued, being October 21, 2025. The State prevailing wages to apply to Phase 2 shall be the DIR wages applicable upon the date ten days before submittal of the GMP (Phase 2) and Phase 2 Proposal, except as otherwise directed by RCTC.

If the Division of Labor Standards Enforcement determines that employees of any Subcontractor were not paid the general prevailing rate of per diem wages, DB Contractor shall withhold an amount of moneys due to the Subcontractor sufficient to pay those employees the general prevailing wage rate of per diem wages if requested by the Division of Labor Standards Enforcement. DB Contractor shall pay any money retained from and owed such Subcontractor

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upon receipt of notification by the Division of Labor Standards Enforcement that the wage complaint has been resolved. Pursuant to section 1773.2 of the Labor Code, DB Contractor shall post prevailing wage rates at a prominent place at the Site.

1.4 Hours of Work

Eight hours labor constitutes a legal day's work.

1.5 Payroll Records

Work on the job site must comply with Labor Code sections 1720 et seq. and 8 CA Code of Regulations § 16000 et seq.

Payroll records include timecards, canceled checks, cash receipts, trust fund forms, books, documents, schedules, forms, reports, receipts or other information which reflect job assignments, work schedules by days and hours, and the disbursement of payment to workers (8 CA Code of Regs § 16000).

1.6 Apprenticeship

DB Contractor shall comply with the provisions of Labor Code Sections 1777.5 and 1777.6, and Title 8, Code of Regulations, Sections 200 et. seq., relating to apprentice employment and training. DB Contractor shall assume full responsibility for compliance with said sections with respect to all apprenticeable occupations on the Project. To ensure compliance and complete understanding of the law regarding apprentices, and specifically the required ratio thereunder, DB Contractor should, where some question exists, contact the Division of Apprenticeship Standards, Los Angeles Office, 320 West 4th Street, Suite 830, Los Angeles, CA 90013, prior to commencement of the Work.

1.7 Specific Labor Code Provisions

DB Contractor's attention is directed to the following requirements of the Labor Code. A copy of each such Code section (except 1810, 1811 and 1812) shall be included in each Subcontract hereunder:

Labor Code Section 1725.5

1725.5. A contractor shall be registered pursuant to this section to be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code or engage in the performance of any public work contract that is subject to the requirements of this chapter. For the purposes of this section, "contractor" includes a subcontractor as defined by Section 1722.1.

(a) To qualify for registration under this section, a contractor shall do all of the following:

(1) (A) Register with the Department of Industrial Relations in the manner prescribed by the department and pay an initial nonrefundable application fee of four hundred dollars ($400) to qualify for registration under this section and an annual renewal fee on or before July 1 of each year thereafter. The annual renewal fee shall be in a uniform amount set by the Director of Industrial Relations, and the initial registration and renewal fees may be adjusted no more than annually by the director to support the costs specified in Section 1771.3.

(B) Beginning June 1, 2019, a contractor may register or renew according to this subdivision in annual increments up to three years from the date of registration. Contractors who wish to do so will be required to prepay the applicable nonrefundable application or renewal fees to qualify for the number of years for which they wish to preregister.

(2) Provide evidence, disclosures, or releases as are necessary to establish all of the following:

(A) Workers' compensation coverage that meets the requirements of Division 4 (commencing with Section 3200) and includes sufficient coverage for any worker whom the contractor employs to perform work that is subject to prevailing wage requirements other than a contractor who is separately registered under this section. Coverage may be evidenced by a current and valid certificate of workers' compensation insurance or certification of self-insurance required under Section 7125 of the Business and Professions Code.

(B) If applicable, the contractor is licensed in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code.

(C) The contractor does not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award. However, for purposes of this paragraph, the contractor shall not be disqualified for any judgment, order, or determination that is under appeal, provided that the contractor has secured the payment of any amount eventually found due through a bond or other appropriate means.

(D) The contractor is not currently debarred under Section 1777.1or under any other federal or state law providing for the debarment of contractors from public works.

(E) The contractor has not bid on a public works contract, been listed in a bid proposal, or engaged in the performance of a contract for public works without being lawfully registered in accordance with this section, within the preceding 12 months or since the effective date of the requirements set forth in subdivision (e), whichever is earlier. If a contractor is found to be in violation of the requirements of this paragraph, the period of disqualification shall be waived if both of the following are true:

(i) The contractor has not previously been found to be in violation of the requirements of this paragraph within the preceding 12 months.

(ii) The contractor pays an additional nonrefundable penalty registration fee of two thousand dollars ($2,000).

(b) Fees received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(c) A contractor who fails to pay the renewal fee required under paragraph (1) of subdivision (a) on or before the expiration of any prior period of registration shall be prohibited from bidding on or engaging in the performance of any contract for public work until once again registered pursuant to this section. If the failure to pay the renewal fee was inadvertent, the contractor may renew its registration retroactively by paying an additional nonrefundable penalty

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renewal fee equal to the amount of the renewal fee within 90 days of the due date of the renewal fee.

(d) If, after a body awarding a contract accepts the contractor's bid or awards the contract, the work covered by the bid or contract is determined to be a public work to which Section 1771 applies, either as the result of a determination by the director pursuant to Section 1773.5 or a court decision, the requirements of this section shall not apply, subject to the following requirements:

(1) The body that awarded the contract failed, in the bid specification or in the contract documents, to identify as a public work that portion of the work that the determination or decision subsequently classifies as a public work.

(2) Within 20 days following service of notice on the awarding body of a determination by the Director of Industrial Relations pursuant to Section 1773.5 or a decision by a court that the contract was for public work as defined in this chapter, the contractor and any subcontractors are registered under this section or are replaced by a contractor or subcontractors who are registered under this section.

(3) The requirements of this section shall apply prospectively only to any subsequent bid, bid proposal, contract, or work performed after the awarding body is served with notice of the determination or decision referred to in paragraph (2).

(e) The requirements of this section shall apply to any bid proposal submitted on or after March 1, 2015, to any contract for public work, as defined in this chapter, executed on or after April 1, 2015, and to any work performed under a contract for public work on or after January 1, 2018, regardless of when the contract for public work was executed.

(f) This section does not apply to work performed on a public works project of twenty-five thousand dollars ($25,000) or less when the project is for construction, alteration, demolition, installation, or repair work or to work performed on a public works project of fifteen thousand dollars ($15,000) or less when the project is for maintenance work.

Labor Code Section 1771

1771. Except for public works projects of one thousand dollars ($1,000) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works.

This section is applicable to contracts let for maintenance work.

Labor Code Section 1775

1775. (a) (1) The contractor and any subcontractor under the contractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than two hundred dollars ($200) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rates as determined by the director for the work or craft in which the worker is employed for any public work done under the contract by the contractor or, except as provided in subdivision (b), by any subcontractor under the contractor.

(2) (A) The amount of the penalty shall be determined by the Labor Commissioner based on consideration of both of the following:

(i) Whether the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) Whether the contractor or subcontractor has a prior record of failing to meet its prevailing wage obligations.

(B) (i) The penalty may not be less than forty dollars ($40) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, unless the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) The penalty may not be less than eighty dollars ($80) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the contractor or subcontractor has been assessed penalties within the previous three years for failing to meet its prevailing wage obligations on a separate contract, unless those penalties were subsequently withdrawn or overturned.

(iii) The penalty may not be less than one hundred twenty dollars ($120) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the Labor Commissioner determines that the violation was willful, as defined in subdivision (c) of Section 1777.1.

(C) If the amount due under this section is collected from the contractor or subcontractor, any outstanding wage claim under Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 against that contractor or subcontractor shall be satisfied before applying that amount to the penalty imposed on that contractor or subcontractor pursuant to this section.

(D) The determination of the Labor Commissioner as to the amount of the penalty shall be reviewable only for abuse of discretion.

(E) The difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the contractor or subcontractor, and the body awarding the contract shall cause to be inserted in the contract a stipulation that this section will be complied with.

(b) If a worker employed by a subcontractor on a public works project is not paid the general prevailing rate of per diem wages by the subcontractor, the prime contractor of the project is not liable for any penalties under subdivision (a) unless the prime contractor had knowledge of that failure of the subcontractor to pay the specified prevailing rate of wages to those workers or unless the prime contractor fails to comply with all of the following requirements:

(1) The contract executed between the contractor and the subcontractor for the performance of work on the public works project shall include a copy of the provisions of this section and Sections 1771, 1775, 1776, 1777.5, 1813, and 1815.

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(2) The contractor shall monitor the payment of the specified general prevailing rate of per diem wages by the subcontractor to the employees, by periodic review of the certified payroll records of the subcontractor.

(3) Upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages, the contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the subcontractor for work performed on the public works project.

(4) Prior to making final payment to the subcontractor for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing rate of per diem wages to his or her employees on the public works project and any amounts due pursuant to Section 1813.

(c) The Division of Labor Standards Enforcement shall notify the contractor on a public works project within 15 days of the receipt by the Division of Labor Standards Enforcement of a complaint of the failure of a subcontractor on that public works project to pay workers the general prevailing rate of per diem wages.

Labor Code Section 1776

1776. (a) Each contractor and subcontractor shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(1) The information contained in the payroll record is true and correct.

(2) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by his or her employees on the public works project.

(b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the contractor on the following basis:

(1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.

(2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the body awarding the contract, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through either the body awarding the contract, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the contractor,

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subcontractors, and the entity through which the request was made. The public may not be given access to the records at the principal office of the contractor.

(c) Unless required to be furnished directly to the Labor Commissioner in accordance with paragraph (3) of subdivision (a) of Section 1771.4, the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division. The payroll records may consist of printouts of payroll data that are maintained as computer records, if the printouts contain the same information as the forms provided by the division and the printouts are verified in the manner specified in subdivision (a).

(d) A contractor or subcontractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested the records within 10 days after receipt of a written request.

(e) Except as provided in subdivision (f), any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a multiemployer Taft-Hartley trust fund (29 U.S.C. Sec. 186(c)(5)) that requests the records for the purposes of allocating contributions to participants shall be marked or obliterated only to prevent disclosure of an individual's full social security number, but shall provide the last four digits of the social security number. Any copy of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall be marked or obliterated only to prevent disclosure of an individual's social security number.

(f)(1) Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to Section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided nonredacted copies of certified payroll records. Any copies of records or certified payroll made available for inspection and furnished upon request to the public by an agency included in the Joint Enforcement Strike Force on the Underground Economy or to a law enforcement agency investigating a violation of law shall be marked or redacted to prevent disclosure of an individual's name, address, and social security number.

(2) An employer shall not be liable for damages in a civil action for any reasonable act or omission taken in good faith in compliance with this subdivision.

(g) The contractor shall inform the body awarding the contract of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.

(h) The contractor or subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a). In the event that the contractor or subcontractor fails to comply within the 10-day period, he or she shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit one hundred dollars ($100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress

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payments then due. A contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.

(i) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section.

(j) The director shall adopt rules consistent with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code) governing the release of these records, including the establishment of reasonable fees to be charged for reproducing copies of records required by this section.

Regulations implementing Labor Code Section 1776 are located in Sections 16000, 16400, 16401, 16402, 16403, and 16500 of Title 8, California Code of Regulations.

Labor Code Section 1777.5

1777.5. (a) This chapter does not prevent the employment of properly registered apprentices upon public works.

(b) (1) Every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.

(2) Unless otherwise provided by a collective bargaining agreement, when a contractor requests the dispatch of an apprentice pursuant to this section to perform work on a public works project and requires the apprentice to fill out an application or undergo testing, training, an examination, or other preemployment process as a condition of employment, the apprentice shall be paid for the time spent on the required preemployment activity, including travel time to and from the required activity, if any, at the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered. Unless otherwise provided by a collective bargaining agreement, a contractor is not required to compensate an apprentice for the time spent on preemployment activities if the apprentice is required to take a preemployment drug or alcohol test and he or she fails to pass that test.

(c) Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either of the following:

(1) The apprenticeship standards and apprentice agreements under which he or she is training.

(2) The rules and regulations of the California Apprenticeship Council.

(d) If the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio set forth in this section and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving the contractor under the apprenticeship standards for the employment and training of apprentices in the area or industry

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affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program's standards shall not be required to submit any additional application in order to include additional public works contracts under that program.

"Apprenticeable craft or trade," as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, "contractor" includes any subcontractor under a contractor who performs any public works not excluded by subdivision (o).

(e) Before commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body if requested by the awarding body.

Within 60 days after concluding work on the contract, each contractor and subcontractor shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for 12 months.

(f) The apprenticeship program supplying apprentices to the area of the site of the public work shall ensure equal employment and affirmative action in apprenticeship for women and minorities.

(g) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates if the contractor agrees to be bound by those standards. However, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work.

(h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a subcontractor, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. When an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Administrator of Apprenticeship, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.

(i) A contractor covered by this section who has agreed to be covered by an apprenticeship program's standards upon the issuance of the approval certificate, or that has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of

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apprentices or the ratio of apprentices to journeymen stipulated in the applicable apprenticeship standards, but in no event less than the 1-to-5 ratio required by subdivision (g).

(j) Upon proper showing by a contractor that he or she employs apprentices in a particular craft or trade in the state on all of his or her contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by journeymen, the Administrator of Apprenticeship may grant a certificate exempting the contractor from the 1-to-5 hourly ratio, as set forth in this section for that craft or trade.

(k) An apprenticeship program has the discretion to grant to a participating contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the contractor from the 1-to-5 ratio set forth in this Section when it finds that any one of the following conditions is met:

(1) Unemployment for the previous three-month period in the area exceeds an average of 15 percent.

(2) The number of apprentices in training in the area exceeds a ratio of 1 to 5.

(3) There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis.

(4) Assignment of an apprentice to any work performed under a public works contract would create a condition that would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large, or the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.

(l) If an exemption is granted pursuant to subdivision (k) to an organization that represents contractors in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member contractors shall not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.

(m) (1) A contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. A contractor may take as a credit for payments to the council any amounts paid by the contractor to an approved apprenticeship program that can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract.

(2) (A) At the conclusion of the 2002-03 fiscal year and each fiscal year thereafter, the California Apprenticeship Council shall distribute training contributions received by the council under this subdivision, less the expenses of the Department of Industrial Relations for administering this subdivision, by making grants to approved apprenticeship programs for the purpose of training apprentices. The grant funds shall be distributed as follows:

(i) If there is an approved multiemployer apprenticeship program serving the same craft or trade and geographic area for which the training contributions were made to the council, a grant to that program shall be made.

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(ii) If there are two or more approved multiemployer apprenticeship programs serving the same craft or trade and county for which the training contributions were made to the council, the grant shall be divided among those programs based on the number of apprentices from that county registered in each program.

(iii) All training contributions not distributed under clauses (i) and (ii) shall be used to defray the future expenses of the Department of Industrial Relations for the administration and enforcement of apprenticeship standards and requirements under this code.

(B) An apprenticeship program shall only be eligible to receive grant funds pursuant to this subdivision if the apprenticeship program agrees, prior to the receipt of any grant funds, to keep adequate records that document the expenditure of grant funds and to make all records available to the Department of Industrial Relations so that the Department of Industrial Relations is able to verify that grant funds were used solely for training apprentices. For purposes of this subparagraph, adequate records include, but are not limited to, invoices, receipts, and canceled checks that account for the expenditure of grant funds. This subparagraph shall not be deemed to require an apprenticeship program to provide the Department of Industrial Relations with more documentation than is necessary to verify the appropriate expenditure of grant funds made pursuant to this subdivision.

(C) The Department of Industrial Relations shall verify that grants made pursuant to this subdivision are used solely to fund training apprentices. If an apprenticeship program is unable to demonstrate how grant funds are expended or if an apprenticeship program is found to be using grant funds for purposes other than training apprentices, then the apprenticeship program shall not be eligible to receive any future grant pursuant to this subdivision and the Department of Industrial Relations may initiate the process to rescind the registration of the apprenticeship program.

(3) All training contributions received pursuant to this subdivision shall be deposited in the Apprenticeship Training Contribution Fund, which is hereby created in the State Treasury. Upon appropriation by the Legislature, all moneys in the Apprenticeship Training Contribution Fund shall be used for the purpose of carrying out this subdivision and to pay the expenses of the Department of Industrial Relations.

(n) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. The stipulations shall fix the responsibility of compliance with this section for all apprenticeable occupations with the prime contractor.

(o) This section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars ($30,000).

(p) An awarding body that implements an approved labor compliance program in accordance with subdivision (b) of Section 1771.5 may, with the approval of the director, assist in the enforcement of this section under the terms and conditions prescribed by the director.

All decisions of an apprenticeship program under this Section are subject to Section 3081.

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Labor Code Section 1810

1810. Eight hours labor constitutes a legal day's work in all cases where the same is performed under the authority of any law of this State, or under the direction, or control, or by the authority of any officer of this State acting in his official capacity, or under the direction, or control or by the authority of any municipal corporation, or of any officer thereof. A stipulation to that effect shall be made a part of all contracts to which the State or any municipal corporation therein is a party.

Labor Code Section 1811

1811. The time of service of any workman employed upon public work is limited and restricted to 8 hours during any one calendar day, and 40 hours during any one calendar week, except as hereinafter provided for under Section 1815.

Labor Code Section 1812

1812. Every contractor and subcontractor shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by him or her in connection with the public work. The record shall be kept open at all reasonable hours to the inspection of the awarding body and to the Division of Labor Standards Enforcement.

Labor Code Section 1813

1813. The contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars ($25) for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract, and shall report them to the Division of Labor Standards Enforcement.

Labor Code Section 1815

1815. Notwithstanding the provisions of Sections 1810 to 1814, inclusive, of this code, and notwithstanding any stipulation inserted in any contract pursuant to the requirements of said sections, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 11/2 times the basic rate of pay.

F. Labor Nondiscrimination

DB Contractor's attention is directed to Section 1735 of the Labor Code, which reads as follows:

> "A contractor shall not discriminate in the employment of persons upon public works on any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of the Government Code. Every contractor for public

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works who violates this section is subject to all the penalties imposed for a violation of this chapter."

DB Contractor's attention is directed to the following "Nondiscrimination Clause" that is required by Chapter 5 of Division 4 of Title 2, California Code of Regulations.

Nondiscrimination Clause

1. During the performance of this contract, contractor and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40) or sex. Contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Admin. Code, Tit. 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code, are incorporated into this contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

2. This Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract

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EXHIBIT 13-B

PUBLIC CONTRACT CODE SECTION 9204

Public Contract Code - PCC

9204.

(a) The Legislature finds and declares that it is in the best interests of the state and its citizens to ensure that all construction business performed on a public works project in the state that is complete and not in dispute is paid in full and in a timely manner.

(b) Notwithstanding any other law, including, but not limited to, Article 7.1 (commencing with Section 10240) of Chapter 1 of Part 2, Chapter 10 (commencing with Section 19100) of Part 2, and Article 1.5 (commencing with Section 20104) of Chapter 1 of Part 3, this section shall apply to any claim by a contractor in connection with a public works project.

(c) For purposes of this section:

(1) "Claim" means a separate demand by a contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:

(A) A time extension, including, without limitation, for relief from damages or penalties for delay assessed by a public entity under a contract for a public works project.

(B) Payment by the public entity of money or damages arising from work done by, or on behalf of, the contractor pursuant to the contract for a public works project and payment for which is not otherwise expressly provided or to which the claimant is not otherwise entitled.

(C) Payment of an amount that is disputed by the public entity.

(2) "Contractor" means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who has entered into a direct contract with a public entity for a public works project.

(3) (A) "Public entity" means, without limitation, except as provided in subparagraph (B), a state agency, department, office, division, bureau, board, or commission, the California State University, the University of California, a city, including a charter city, county, including a charter county, city and county, including a charter city and county, district, special district, public authority, political subdivision, public corporation, or nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency.

(B) "Public entity" shall not include the following:

(i) The Department of Water Resources as to any project under the jurisdiction of that department.

(ii) The Department of Transportation as to any project under the jurisdiction of that department.

(iii) The Department of Parks and Recreation as to any project under the jurisdiction of that department.

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(iv) The Department of Corrections and Rehabilitation with respect to any project under its jurisdiction pursuant to Chapter 11 (commencing with Section 7000) of Title 7 of Part 3 of the Penal Code.

(v) The Military Department as to any project under the jurisdiction of that department.

(vi) The Department of General Services as to all other projects.

(vii) The High-Speed Rail Authority.

(4) "Public works project" means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

(5) "Subcontractor" means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who either is in direct contract with a contractor or is a lower tier subcontractor.

(d) (1) (A) Upon receipt of a claim pursuant to this section, the public entity to which the claim applies shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the claimant a written statement identifying what portion of the claim is disputed and what portion is undisputed. Upon receipt of a claim, a public entity and a contractor may, by mutual agreement, extend the time period provided in this subdivision.

(B) The claimant shall furnish reasonable documentation to support the claim.

(C) If the public entity needs approval from its governing body to provide the claimant a written statement identifying the disputed portion and the undisputed portion of the claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, the public entity shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the claimant a written statement identifying the disputed portion and the undisputed portion.

(D) Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the public entity issues its written statement. If the public entity fails to issue a written statement, paragraph (3) shall apply.

(2) (A) If the claimant disputes the public entity's written response, or if the public entity fails to respond to a claim issued pursuant to this section within the time prescribed, the claimant may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, the public entity shall schedule a meet and confer conference within 30 days for settlement of the dispute.

(B) Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, the public entity shall provide the claimant a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the public entity issues its written statement. Any disputed portion of the claim, as identified by the contractor in writing, shall be submitted to nonbinding mediation, with the public entity and the claimant sharing the associated costs equally. The public entity and claimant shall mutually agree to a mediator within 10 business days after the disputed portion of

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the claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator, and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject to applicable procedures outside this section.

(C) For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

(D) Unless otherwise agreed to by the public entity and the contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

(E) This section does not preclude a public entity from requiring arbitration of disputes under private arbitration or the Public Works Contract Arbitration Program, if mediation under this section does not resolve the parties' dispute.

(3) Failure by the public entity to respond to a claim from a contractor within the time periods described in this subdivision or to otherwise meet the time requirements of this section shall result in the claim being deemed rejected in its entirety. A claim that is denied by reason of the public entity's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this section, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility or qualifications of the claimant.

(4) Amounts not paid in a timely manner as required by this section shall bear interest at 7 percent per annum.

(5) If a subcontractor or a lower tier subcontractor lacks legal standing to assert a claim against a public entity because privity of contract does not exist, the contractor may present to the public entity a claim on behalf of a subcontractor or lower tier subcontractor. A subcontractor may request in writing, either on their own behalf or on behalf of a lower tier subcontractor, that the contractor present a claim for work which was performed by the subcontractor or by a lower tier subcontractor on behalf of the subcontractor. The subcontractor requesting that the claim be presented to the public entity shall furnish reasonable documentation to support the claim. Within 45 days of receipt of this written request, the contractor shall notify the subcontractor in writing as to whether the contractor presented the claim to the public entity and, if the original contractor did not present the claim, provide the subcontractor with a statement of the reasons for not having done so.

(e) The text of this section or a summary of it shall be set forth in the plans or specifications for any public works project that may give rise to a claim under this section.

(f) A waiver of the rights granted by this section is void and contrary to public policy, provided, however, that (1) upon receipt of a claim, the parties may mutually agree to waive, in writing, mediation and proceed directly to the commencement of a civil action or binding arbitration, as applicable; and (2) a public entity may prescribe reasonable change order, claim, and dispute resolution procedures and requirements in addition to the provisions of this section, so long as the contractual provisions do not conflict with or otherwise impair the timeframes and procedures set forth in this section.

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(g) This section applies to contracts entered into on or after January 1, 2017.

(h) Nothing in this section shall impose liability upon a public entity that makes loans or grants available through a competitive application process, for the failure of an awardee to meet its contractual obligations.

(i) This section shall remain in effect only until January 1, 2027, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2027, deletes or extends that date.

(Amended by Stats. 2019, Ch. 489, Sec. 1. (AB 456) Effective January 1, 2020. Repealed as of January 1, 2027, by its own provisions.)

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EXHIBIT 13-C

FEDERAL REQUIREMENTS

[Changes may need to be made by way of Contract amendment or prior to Phase 2 to track any new changes in federal regulations, law or policy prior to execution.]

DB Contractor shall perform its obligations under the Agreement in accordance with the following requirements.

1. FEDERAL REQUIREMENTS FOR CONSTRUCTION PROJECT ON FEDERAL-AID HIGHWAY

GENERAL. — The Work herein is subject to the statutes, rules, regulations and required Contract provisions promulgated by the Federal Government included in this Exhibit 13-C. Whenever in said required contract provisions references are made to:

(a) "contracting officer" or "authorized representative" such references shall be construed to mean RCTC or its Authorized Representative;

(b) "contractor", "prime contractor", "bidder," "proposer," "Federal-aid construction contractor," "prospective first tier participant," or "First Tier Participant," such references shall be construed to mean DB Contractor or its Authorized Representative;

(c) "contract," "prime contract," "Federal-aid construction contract," or "design-build contract," such references shall be construed to mean the Contract between DB Contractor and RCTC for the Project;

(d) "subcontractor", "supplier", "vendor", "prospective lower tier participant, "lower tier prospective participant," "Lower tier participant," or "lower tier subcontractor," such references shall be construed to mean any Subcontractor or Supplier; and

(e) "department", "agency," "department or agency with which this transaction originated," "department or agency entering into this transaction," or "contracting agency," such references shall be construed to mean RCTC, except where a different department or agency is specified.

BUY AMERICA REQUIREMENTS – This Contract is subject to 23 CFR § 635.410, Buy America requirements. The provisions of 23 CFR § 635.410 are incorporated herein by reference.

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2. COMPLIANCE WITH BUY AMERICA REQUIREMENTS

DB Contractor shall comply with the Federal Highway Administration (FHWA) Buy America Requirement in 23 CFR 635.410, which permits FHWA participation in the Contract only if domestic steel and iron will be used on the Project. To be considered domestic, all steel and iron used and all products manufactured from steel and iron must be produced in the United States and all manufacturing processes for these materials must occur in the United States, with the exception that pig iron and processed, pelletized and reduced iron ore manufactured outside of the United States may be used in the domestic manufacturing process for such steel and iron materials. The application of coatings, such as epoxy coating, galvanizing, painting and other coating that protects or enhances the value of steel or iron materials shall be considered a manufacturing process subject to Buy America requirements. This requirement does not preclude a minimal use of foreign steel and iron materials, provided the cost of such materials does not exceed 0.1% of the contract price under the Contract.

A Certificate of Compliance shall be furnished for steel and iron materials. The certificates, in addition to certifying that the materials comply with the specifications, shall specifically certify that all manufacturing processes for the materials occurred in the United States, except as for the above exception.

3. AMERICANS WITH DISABILITIES ACT

DB Contractor shall be responsible for familiarity and compliance with (as applicable) the Americans with Disabilities Act, 42 U.S.C. section 12101 et seq. and its implementing regulations. DB Contractor will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. DB Contractor will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any contract entered into by DB Contractor or any Subcontractor relating to the Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

4. VERIFICATION OF EMPLOYMENT ELIGIBILITY

By executing this Agreement, DB Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented persons, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all Subcontractors at all tiers, including sub-subcontractors, subconsultants, sub-subconsultants, and consultants to comply with the same. DB Contractor agrees that any of the following shall constitute a Default of DB Contractor: (1) failure of DB Contractor or its subcontractors at any tier to meet any of the requirements provided for in this Section 4; (2) any misrepresentation or material omission concerning compliance with such requirements; or (3) failure to immediately remove from the Work any Person found not to be in compliance with such requirements.

5. SOLID WASTE DISPOSAL ACT

DB Contractor shall comply with all requirements of section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (RCRA). The requirements of section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of completion, where the

purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in EPA guidelines.

DB Contractor shall include language equivalent to that in this Section 5 in each of its Subcontracts and require each Subcontractor to include equivalent language in each of its Subcontracts.

6. TRAFFICKING IN PERSONS

DB Contractor and its employees may not engage in severe forms of trafficking in persons during the term of this Agreement, procure a commercial sex act during the term of this Agreement, or use forced labor in the performance of this Agreement. DB Contractor shall provide immediate notice to JPA of any information regarding a violation of the foregoing. DB Contractor recognizes that any failure to comply with this Section 65 may subject JPA to loss of federal funds. DB Contractor agrees to compensate JPA for any such funds lost due to its failure to comply with this Section 6 or the failure of any Subcontractor to comply with this condition.

DB Contractor shall include language equivalent to that in this Section 6 in each of its Subcontracts and require each Subcontractor to include equivalent language in each of its Subcontracts.

7. CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS

(a) This Agreement and employees working on this Agreement will be subject to the whistleblower rights and remedies in the pilot program on DB Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and Federal Acquisition Regulation (FAR) 3.908.

(b) DB Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in FAR 3.908.

(c) DB Contractor shall insert the substance of this Section 7, including this subsection (c), in all Subcontracts over the simplified acquisition threshold, as defined in FAR 2.101 on the date of Subcontract award.

8. USE OF PROHIBITED PRODUCTS

(a) So long as section 889 of the National Defense Authorization Act of 2019 (H.R. 5515 at pp. 282-284; Pub. L. 115-232) or any comparable statute is effective, DB Contractor shall not commit any of the following actions:

(i) deliver, install, or include any Prohibited Product under this Agreement;

(ii) propose to deliver, install, or include any Prohibited Product under this Agreement; or

(iii) enter into a new contract to procure or obtain any Prohibited Product.

(b) For the purpose of this Section 8, "Prohibited Product" is defined as any telecommunication or video surveillance equipment, systems, or services produced by any of the following entities:

(i) Huawei Technologies Company;

(ii) ZTE Corporation;

(iii) Hytera Communications Corporation;

(iv) Hangzhou Hikvision Digital Technology Company;

(v) Dahua Technology Company; or

(vi) Any subsidiary or affiliate of the entities mentioned in this Section 8(b).

(c) DB Contractor shall identify the known subsidiaries and affiliates of the entities listed in Section 6(b) from the following website: https://umd.service-now.com/itsupport?id=kb_article_view&sysparm_article=KB0014132&sys_kb_id=28015b70dbe0e3849382f1a51d96193f.

9. ENVIRONMENTAL COMPLIANCE

DB Contractor shall comply with all applicable standards, orders, and requirements issued under the Clean Air Act (42 USC § 7401–7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251–1387). Any violations of this Section 9 shall be reported to JPA and the applicable EPA regional office.

10. FEDERAL ANTI-DISCRIMINATION

(a) Pursuant to section (3)(b)(iv)(A), Executive Order 14173, *Ending Illegal Discrimination and Restoring Merit-Based Opportunity*, DB Contractor agrees that its compliance in all respects with all applicable federal antidiscrimination laws is material to the government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code.

(b) Pursuant to section (3)(b)(iv)(B), Executive Order 14173, *Ending Illegal Discrimination and Restoring Merit-Based Opportunity*, by entering into this Agreement, DB Contractor certifies that it does not operate any programs promoting diversity, equity, and inclusion (DEI) initiatives that violate any applicable federal anti-discrimination laws.

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11. FEDERAL LAW AND PUBLIC POLICY REQUIREMENTS

DB Contractor shall ensure that federal funding is expended in full accordance with the U.S. Constitution, federal law, and statutory and public policy requirements including, but not limited to, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination; and DB Contractor will cooperate with federal officials in the enforcement of federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other federal offices and components of the Department of Homeland Security in the enforcement of federal immigration law.

12. PROHIBITION ON PROCUREMENT OR OPERATION OF COVERED UNMANNED AIRCRAFT SYSTEMS

Pursuant to Section 1825 of the American Security Drone Act of 2023 (Pub. L. 118-31) and Office of Management and Budget Memorandum M-26-02, the following prohibition applies to the use of funds provided through any federal grant, cooperative agreement, or other award.

(1) *Definitions.* The terms "FASC-prohibited unmanned aircraft system" and "unmanned aircraft system" have the definitions provided in 48 C.F.R. § 40.201, or successor regulation.

(2) *Prohibition.* Pursuant to the prohibition in Section 1825 of the Act, no federal funds awarded through a grant or cooperative agreement, or otherwise made available, may be used for the following:
   a. To procure a FASC-prohibited unmanned aircraft system; or
   b. In connection with the operation of a FASC-prohibited unmanned aircraft system.

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EXHIBIT 13-D

FEDERAL PREVAILING WAGE RATE

(SUBJECT TO CHANGE)

The federal prevailing wage rates for the Phase 2 Work or any applicable Package shall be those set forth under the general wage decision for projects in Riverside County, California as published on the Davis-Bacon wage determination website at https://sam.gov/wage-determinations on the date that is ten days before submission of the GMP (Phase 2) and the Phase 2 Proposal except as otherwise directed by RCTC. Such prevailing wage rates shall be incorporated in this Exhibit 13-D.

[Note: The wage decisions and labor classifications in this Exhibit 13-D shall be incorporated into this Contract at or before execution of the Phase 2 Amendment or any early Package (as applicable) with the wage decisions and labor classifications in effect ten days before submission of the Phase 2 Proposal, except as otherwise directed by RCTC. DB Contractor is not entitled to any change in the GMP (Phase 2) or any Package due to the differences between the wage decisions and labor classifications in this Exhibit 13-D and those in effect ten days before submission of the Phase 2 Proposal or as otherwise directed by RCTC.]

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EXHIBIT 13-E

REQUIRED CONTRACT PROVISIONS FEDERAL-AID CONSTRUCTION CONTRACTS

GENERAL. — The Work herein proposed will be financed in whole or in part with federal funds, and therefore all of the statutes, rules, and regulations promulgated by the federal government and applicable to Work financed in whole or in part with federal funds will apply to such Work. The "Required Contract Provisions Federal-Aid Construction Contracts," Form FHWA-1273 are included in this Exhibit 13-E. When utilized in the " Required Contract Provisions Federal-Aid Construction Contracts" Form FHWA-1273, the following terms will have the following meanings:

(A) "Contractor," "prime contractor," "bidder," or "prospective primary participant" shall be construed to mean DB Contractor or its authorized representative, including any of its Key Personnel;

(B) "Contract" or "prime contract" shall be construed to mean the Contract between DB Contractor and RCTC for the Project, including all of the documents referenced therein;

(C) "Subcontractor," "supplier," "vendor," "prospective lower tier participant," or "lower tier subcontractor" shall be construed to mean any Subcontractor or Supplier; and

EXECUTIVE ORDER 11246. — Executive Order 14173, "Ending Illegal Discrimination and Restoring Merit-Based Opportunity," executed January 21, 2025, revokes Executive Order 11246, "Equal Employment Opportunity" ("**EO 11246**"). The USDOL issued regulations implementing certain sections of EO 11246 at 41 C.F.R. Part 60. Until USDOL revokes these regulations, they remain effective law and compliance is required. Note that this Exhibit 13-E reference EO 11246 in several places. Though the language is required, any mention of EO 11246 can be disregarded.

EXECUTIVE ORDER 14168. — Executive Order 14168, "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government," signed January 20, 2025, ("**EO 14168**") requires federal agencies to rescind all guidance documents inconsistent with the requirement of EO 14168. Until the FHWA reissues Form FHWA-1273, the current Form FHWA-1273 (dated October 23, 2023) remains effective and compliance is required. Note that this Exhibit 13-E references gender identity in several places. Though the language is required, any mention of gender identity can be disregarded.

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REQUIRED CONTRACT PROVISIONS
FEDERAL-AID CONSTRUCTION CONTRACTS

I. General
II. Nondiscrimination
III. Non-segregated Facilities
IV. Davis-Bacon and Related Act Provisions
V. Contract Work Hours and Safety Standards Act Provisions
VI. Subletting or Assigning the Contract
VII. Safety: Accident Prevention
VIII. False Statements Concerning Highway Projects
IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
X. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
XI. Certification Regarding Use of Contract Funds for Lobbying
XII. Use of United States-Flag Vessels:

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under title 23, United States Code, as required in 23 CFR 633.102(b) (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services). 23 CFR 633.102(e).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider. 23 CFR 633.102(e).

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services) in accordance with 23 CFR 633.102. The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in solicitation-for-bids or request-for-proposals documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract). 23 CFR 633.102(b).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract. 23 CFR 633.102(d).

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. 23 U.S.C. 114(b). The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors. 23 U.S.C. 101(a).

II. NONDISCRIMINATION (23 CFR 230.107(a); 23 CFR Part 230, Subpart A, Appendix A; EO 11246)

The provisions of this section related to 23 CFR Part 230, Subpart A, Appendix A are applicable to all Federal-aid construction contracts and to all related construction subcontracts of $10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR Part 60, 29 CFR Parts 1625-1627, 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding $10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR Part 60, and 29 CFR Parts 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR Part 230, Subpart A, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

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1. Equal Employment Opportunity: Equal Employment Opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (*see* 28 CFR Part 35, 29 CFR Part 1630, 29 CFR Parts 1625-1627, 41 CFR Part 60 and 49 CFR Part 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140, shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR Part 35 and 29 CFR Part 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract. 23 CFR 230.409 (g)(4) & (5).

b. The contractor will accept as its operating policy the following statement:

> "It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, sexual orientation, gender identity, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action or are substantially involved in such action, will be made fully cognizant of and will implement the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer or other knowledgeable company official.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to ensure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

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d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs (i.e., apprenticeship and on-the-job training programs for the geographical area of contract performance). In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. 23 CFR 230.409. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established thereunder. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors, suppliers, and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurances Required:

a. The requirements of 49 CFR Part 26 and the State DOT's FHWA-approved Disadvantaged Business Enterprise (DBE) program are incorporated by reference.

b. The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:
(1) Withholding monthly progress payments;
(2) Assessing sanctions;
(3) Liquidated damages; and/or
(4) Disqualifying the contractor from future bidding as non-responsible.

c. The Title VI and nondiscrimination provisions of U.S. DOT Order 1050.2A at Appendixes A and E are incorporated by reference. 49 CFR Part 21.

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11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women.

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of more than $10,000. 41 CFR 60-1.5.

As prescribed by 41 CFR 60-1.8, the contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location under the contractor's control where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding $2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size), in accordance with 29 CFR 5.5. The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. 23 U.S.C. 113. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. 23 U.S.C. 101. Where applicable law requires that projects be treated as a project on a Federal-aid highway, the provisions of this subpart will apply regardless of the location of the project. Examples include: Surface Transportation Block Grant Program projects funded under 23 U.S.C. 133 [excluding recreational trails projects], the Nationally Significant Freight and Highway Projects funded under 23 U.S.C. 117, and National Highway Freight Program projects funded under 23 U.S.C. 167.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 “Contract provisions and related matters” with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages (29 CFR 5.5)

a. Wage rates and fringe benefits. All laborers and mechanics employed or working upon the site of the work (or otherwise working in construction or development of the project under a development statute), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of basic hourly wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. As provided in paragraphs (d) and (e) of 29 CFR 5.5, the appropriate wage determinations are effective by operation of law even if they have not been attached to the contract. Contributions made or costs reasonably anticipated for bona fide fringe benefits under the Davis-Bacon Act (40 U.S.C. 3141(2)(B)) on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.e. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics must be paid the appropriate wage rate and fringe benefits on the wage determination for the classification(s) of work actually performed, without regard to skill, except as provided in paragraph 4. of this section. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided,* That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under paragraph 1.c. of this section) and the Davis-Bacon poster (WH–1321) must be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b. Frequently recurring classifications. (1) In addition to wage and fringe benefit rates that have been determined to be prevailing under the procedures set forth in 29 CFR part 1, a

wage determination may contain, pursuant to § 1.3(f), wage and fringe benefit rates for classifications of laborers and mechanics for which conformance requests are regularly submitted pursuant to paragraph 1.c. of this section, provided that:

(i) The work performed by the classification is not performed by the classification in the wage determination for which a prevailing wage rate has been determined;

(ii) The classification is used in the area by the construction industry; and

(iii) The wage rate for the classification bears a reasonable relationship to the prevailing wage rates contained in the wage determination.

(2) The Administrator will establish wage rates for such classifications in accordance with paragraph 1.c.(1)(iii) of this section. Work performed in such a classification must be paid at no less than the wage and fringe benefit rate listed on the wage determination for such classification.

c. *Conformance.* (1) The contracting officer must require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract be classified in conformance with the wage determination. Conformance of an additional classification and wage rate and fringe benefits is appropriate only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is used in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) The conformance process may not be used to split, subdivide, or otherwise avoid application of classifications listed in the wage determination.

(3) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken will be sent by the contracting officer by email to *DBAconformance@dol.gov.* The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

(4) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer will, by email to *DBAconformance@dol.gov,* refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

(5) The contracting officer must promptly notify the contractor of the action taken by the Wage and Hour Division under paragraphs 1.c.(3) and (4) of this section. The contractor must furnish a written copy of such determination to each affected worker or it must be posted as a part of the wage determination. The wage rate (including fringe benefits where appropriate) determined pursuant to paragraph 1.c.(3) or (4) of this section must be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

d. Fringe benefits not expressed as an hourly rate. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor may either pay the benefit as stated in the wage determination or may pay another bona fide fringe benefit or an hourly cash equivalent thereof.

e. Unfunded plans. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided,* That the Secretary of Labor has found, upon the written request of the contractor, in accordance with the criteria set forth in § 5.28, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

f. Interest. In the event of a failure to pay all or part of the wages required by the contract, the contractor will be required to pay interest on any underpayment of wages.

2. Withholding (29 CFR 5.5)

a. Withholding requirements. The contracting agency may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for the full amount of wages and monetary relief, including interest, required by the clauses set forth in this section for violations of this contract, or to satisfy any such liabilities required by any other Federal contract, or federally assisted contract subject to Davis-Bacon labor standards, that is held by the same prime contractor (as defined in § 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to Davis-Bacon labor standards requirements and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld. In the event of a contractor's failure to pay any laborer or mechanic, including any apprentice or helper working on the site of the work all or part of the wages required by the contract, or upon the contractor's failure to submit the required records as discussed

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in paragraph 3.d. of this section, the contracting agency may on its own initiative and after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

b. Priority to withheld funds. The Department has priority to funds withheld or to be withheld in accordance with paragraph 2.a. of this section or Section V, paragraph 3.a., or both, over claims to those funds by:

(1) A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;

(2) A contracting agency for its reprocurement costs;

(3) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;

(4) A contractor's assignee(s);

(5) A contractor's successor(s); or

(6) A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901–3907.

3. Records and certified payrolls (29 CFR 5.5)

a. *Basic record requirements* (1) *Length of record retention.* All regular payrolls and other basic records must be maintained by the contractor and any subcontractor during the course of the work and preserved for all laborers and mechanics working at the site of the work (or otherwise working in construction or development of the project under a development statute) for a period of at least 3 years after all the work on the prime contract is completed.

(2) Information required. Such records must contain the name; Social Security number; last known address, telephone number, and email address of each such worker; each worker's correct classification(s) of work actually performed; hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act); daily and weekly number of hours actually worked in total and on each covered contract; deductions made; and actual wages paid.

(3) Additional records relating to fringe benefits. Whenever the Secretary of Labor has found under paragraph 1.e. of this section that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act, the contractor must maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits.

(4) Additional records relating to apprenticeship. Contractors with apprentices working under approved programs must maintain written evidence of the registration of apprenticeship programs, the registration of the apprentices, and the ratios and wage rates prescribed in the applicable programs.

b. *Certified payroll requirements* (1) *Frequency and method of submission.* The contractor or subcontractor must submit weekly, for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to the contracting agency. The prime contractor is responsible for the submission of all certified payrolls by all subcontractors. A contracting agency or prime contractor may permit or require contractors to submit certified payrolls through an electronic system, as long as the electronic system requires a legally valid electronic signature; the system allows the contractor, the contracting agency, and the Department of Labor to access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and the contracting agency or prime contractor permits other methods of submission in situations where the contractor is unable or limited in its ability to use or access the electronic system.

(2) *Information required.* The certified payrolls submitted must set out accurately and completely all of the information required to be maintained under paragraph 3.a.(2) of this section, except that full Social Security numbers and last known addresses, telephone numbers, and email addresses must not be included on weekly transmittals. Instead, the certified payrolls need only include an individually identifying number for each worker (*e.g.,* the last four digits of the worker's Social Security number). The required weekly certified payroll information may be submitted using Optional Form WH–347 or in any other format desired. Optional Form WH–347 is available for this purpose from the Wage and Hour Division website at *https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/wh347.pdf* or its successor website. It is not a violation of this section for a prime contractor to require a subcontractor to provide full Social Security numbers and last known addresses, telephone numbers, and email addresses to the prime contractor for its own records, without weekly submission by the subcontractor to the contracting agency.

(3) *Statement of Compliance.* Each certified payroll submitted must be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor, or the contractor's or subcontractor's agent who pays or supervises the payment of the persons working on the contract, and must certify the following:

(i) That the certified payroll for the payroll period contains the information required to be provided under paragraph 3.b. of this section, the appropriate information and basic records are being maintained under paragraph 3.a. of this section, and such information and records are correct and complete;

(ii) That each laborer or mechanic (including each helper and apprentice) working on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3; and

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification(s) of work actually performed, as specified in the applicable wage determination incorporated into the contract.

(4) *Use of Optional Form WH–347.* The weekly submission of a properly executed certification set forth on the reverse side

of Optional Form WH–347 will satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(3) of this section.

(5) *Signature.* The signature by the contractor, subcontractor, or the contractor's or subcontractor's agent must be an original handwritten signature or a legally valid electronic signature.

(6) *Falsification.* The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 3729.

(7) *Length of certified payroll retention.* The contractor or subcontractor must preserve all certified payrolls during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

c. Contracts, subcontracts, and related documents. The contractor or subcontractor must maintain this contract or subcontract and related documents including, without limitation, bids, proposals, amendments, modifications, and extensions. The contractor or subcontractor must preserve these contracts, subcontracts, and related documents during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

d. Required disclosures and access (1) *Required record disclosures and access to workers.* The contractor or subcontractor must make the records required under paragraphs 3.a. through 3.c. of this section, and any other documents that the contracting agency, the State DOT, the FHWA, or the Department of Labor deems necessary to determine compliance with the labor standards provisions of any of the applicable statutes referenced by § 5.1, available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and must permit such representatives to interview workers during working hours on the job.

(2) Sanctions for non-compliance with records and worker access requirements. If the contractor or subcontractor fails to submit the required records or to make them available, or refuses to permit worker interviews during working hours on the job, the Federal agency may, after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, that maintains such records or that employs such workers, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available, or to permit worker interviews during working hours on the job, may be grounds for debarment action pursuant to § 5.12. In addition, any contractor or other person that fails to submit the required records or make those records available to WHD within the time WHD requests that the records be produced will be precluded from introducing as evidence in an administrative proceeding under 29 CFR part 6 any of the required records that were not provided or made available to WHD. WHD will take into consideration a reasonable request from the contractor or person for an extension of the time for submission of records. WHD will determine the reasonableness of the request and may consider, among other things, the location of the records and the volume of production.

(3) Required information disclosures. Contractors and subcontractors must maintain the full Social Security number and last known address, telephone number, and email address of each covered worker, and must provide them upon request to the contracting agency, the State DOT, the FHWA, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or other compliance action.

4. Apprentices and equal employment opportunity (29 CFR 5.5)

a. *Apprentices* (1) *Rate of pay.* Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship (OA), or with a State Apprenticeship Agency recognized by the OA. A person who is not individually registered in the program, but who has been certified by the OA or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice, will be permitted to work at less than the predetermined rate for the work they perform in the first 90 days of probationary employment as an apprentice in such a program. In the event the OA or a State Apprenticeship Agency recognized by the OA withdraws approval of an apprenticeship program, the contractor will no longer be permitted to use apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(2) Fringe benefits. Apprentices must be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringe benefits must be paid in accordance with that determination.

(3) Apprenticeship ratio. The allowable ratio of apprentices to journeyworkers on the job site in any craft classification must not be greater than the ratio permitted to the contractor as to the entire work force under the registered program or the ratio applicable to the locality of the project pursuant to paragraph 4.a.(4) of this section. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in paragraph 4.a.(1) of this section, must be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under this section must be paid not less than the applicable wage rate on the wage determination for the work actually performed.

(4) Reciprocity of ratios and wage rates. Where a contractor is performing construction on a project in a locality other than the locality in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyworker's hourly rate) applicable within the locality in which the construction is being performed must be observed. If there is no applicable ratio or wage rate for the locality of the project, the ratio and wage rate specified in the contractor's registered program must be observed.

b. *Equal employment opportunity.* The use of apprentices and journeyworkers under this part must be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

c. Apprentices and Trainees (programs of the U.S. DOT). Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. 23 CFR 230.111(e)(2). The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeyworkers shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract as provided in 29 CFR 5.5.

6. Subcontracts. The contractor or subcontractor must insert FHWA-1273 in any subcontracts, along with the applicable wage determination(s) and such other clauses or contract modifications as the contracting agency may by appropriate instructions require, and a clause requiring the subcontractors to include these clauses and wage determination(s) in any lower tier subcontracts. The prime contractor is responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section. In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and may be subject to debarment, as appropriate. 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract as provided in 29 CFR 5.5.

9. Disputes concerning labor standards. As provided in 29 CFR 5.5, disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility. a. By entering into this contract, the contractor certifies that neither it nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of 40 U.S.C. 3144(b) or § 5.12(a).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of 40 U.S.C. 3144(b) or § 5.12(a).

c. The penalty for making false statements is prescribed in the U.S. Code, Title 18 Crimes and Criminal Procedure, 18 U.S.C. 1001.

11. Anti-retaliation. It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

a. Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the DBA, Related Acts, this part, or 29 CFR part 1 or 3;

b. Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under the DBA, Related Acts, this part, or 29 CFR part 1 or 3;

c. Cooperating in any investigation or other compliance action, or testifying in any proceeding under the DBA, Related Acts, this part, or 29 CFR part 1 or 3; or

d. Informing any other person about their rights under the DBA, Related Acts, this part, or 29 CFR part 1 or 3.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Pursuant to 29 CFR 5.5(b), the following clauses apply to any Federal-aid construction contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchpersons and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek. 29 CFR 5.5.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph 1. of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages and interest from the date of the underpayment. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchpersons and guards, employed in violation of the clause set forth in paragraph 1. of this section,

in the sum currently provided in 29 CFR 5.5(b)(2)* for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1. of this section.

* $31 as of January 15, 2023 (See 88 FR 88 FR 2210) as may be adjusted annually by the Department of Labor, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990.

3. Withholding for unpaid wages and liquidated damages

a. Withholding process. The FHWA or the contracting agency may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for any unpaid wages; monetary relief, including interest; and liquidated damages required by the clauses set forth in this section on this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act that is held by the same prime contractor (as defined in § 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to the Contract Work Hours and Safety Standards Act and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld.

b. Priority to withheld funds. The Department has priority to funds withheld or to be withheld in accordance with Section IV paragraph 2.a. or paragraph 3.a. of this section, or both, over claims to those funds by:

(1) A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;

(2) A contracting agency for its reprocurement costs;

(3) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;

(4) A contractor's assignee(s);

(5) A contractor's successor(s); or

(6) A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901–3907.

4. Subcontracts. The contractor or subcontractor must insert in any subcontracts the clauses set forth in paragraphs 1. through 5. of this section and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor is responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1. through 5. In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and associated liquidated damages and may be subject to debarment, as appropriate.

5. Anti-retaliation. It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

a. Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the Contract Work Hours and Safety Standards Act (CWHSSA) or its implementing regulations in this part;

b. Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under CWHSSA or this part;

c. Cooperating in any investigation or other compliance action, or testifying in any proceeding under CWHSSA or this part; or

d. Informing any other person about their rights under CWHSSA or this part.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System pursuant to 23 CFR 635.116.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term “perform work with its own organization” in paragraph 1 of Section VI refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions: (based on longstanding interpretation)

(1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;

(2) the prime contractor remains responsible for the quality of the work of the leased employees;

(3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and

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(4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract. 23 CFR 635.102.

2. Pursuant to 23 CFR 635.116(a), the contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. Pursuant to 23 CFR 635.116(c), the contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract. (based on long-standing interpretation of 23 CFR 635.116).

5. The 30-percent self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements. 23 CFR 635.116(d).

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR Part 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract. 23 CFR 635.108.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR Part 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704). 29 CFR 1926.10.

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR Part 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 11, 1916, (39 Stat. 355), as amended and supplemented;

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Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT (42 U.S.C. 7606; 2 CFR 200.88; EO 11738)

This provision is applicable to all Federal-aid construction contracts in excess of $150,000 and to all related subcontracts. 48 CFR 2.101; 2 CFR 200.327.

By submission of this bid/proposal or the execution of this contract or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, subcontractor, supplier, or vendor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal Highway Administration and the Regional Office of the Environmental Protection Agency. 2 CFR Part 200, Appendix II.

The contractor agrees to include or cause to be included the requirements of this Section in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements. 2 CFR 200.327.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost $25,000 or more – as defined in 2 CFR Parts 180 and 1200. 2 CFR 180.220 and 1200.220.

1**. Instructions for Certification – First Tier Participants:**

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction. 2 CFR 180.320.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default. 2 CFR 180.325.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. 2 CFR 180.345 and 180.350.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900-180.1020, and 1200. “First Tier Covered Transactions” refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). “Lower Tier Covered Transactions” refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). “Lower Tier Participant” refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction. 2 CFR 180.330.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold. 2 CFR 180.220 and 180.300.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. 2 CFR 180.300; 180.320, and 180.325. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. 2 CFR 180.335. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/). 2 CFR 180.300, 180.320, and 180.325.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant

is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default. 2 CFR 180.325.

* * * * *

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.335;.

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property, 2 CFR 180.800;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification, 2 CFR 180.700 and 180.800; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default. 2 CFR 180.335(d).

(5) Are not a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(6) Are not a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability (USDOT Order 4200.6 implementing appropriations act requirements).

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal. 2 CFR 180.335 and 180.340.

* * * * *

3. **Instructions for Certification - Lower Tier Participants:**

(Applicable to all subcontracts, purchase orders, and other lower tier transactions requiring prior FHWA approval or estimated to cost $25,000 or more - 2 CFR Parts 180 and 1200). 2 CFR 180.220 and 1200.220.

a. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances. 2 CFR 180.365.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900 – 180.1020, and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. “First Tier Covered Transactions” refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). “Lower Tier Covered Transactions” refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). “Lower Tier Participant” refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated. 2 CFR 1200.220 and 1200.332.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold. 2 CFR 180.220 and 1200.220.

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g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/), which is compiled by the General Services Administration. 2 CFR 180.300, 180.320, 180.330, and 180.335.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment. 2 CFR 180.325.

* * * * *

4. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

a. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals:

(1) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.355;

(2) is a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(3) is a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability. (USDOT Order 4200.6 implementing appropriations act requirements)

b. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal.

* * * * *

XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed $100,000. 49 CFR Part 20, App. A.

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed $100,000 and that all such recipients shall certify and disclose accordingly.

XII. USE OF UNITED STATES-FLAG VESSELS:

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, or any other covered transaction. 46 CFR Part 381.

This requirement applies to material or equipment that is acquired for a specific Federal-aid highway project. 46 CFR 381.7. It is not applicable to goods or materials that come into inventories independent of an FHWA funded-contract.

When oceanic shipments (or shipments across the Great Lakes) are necessary for materials or equipment acquired for a specific Federal-aid construction project, the bidder, proposer, contractor, subcontractor, or vendor agrees:

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1. To utilize privately owned United States-flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to this contract, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels. 46 CFR 381.7.

2. To furnish within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, 'on-board' commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (b)(1) of this section to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Office of Cargo and Commercial Sealift (MAR-620), Maritime Administration, Washington, DC 20590. (MARAD requires copies of the ocean carrier's (master) bills of lading, certified onboard, dated, with rates and charges. These bills of lading may contain business sensitive information and therefore may be submitted directly to MARAD by the Ocean Transportation Intermediary on behalf of the contractor). 46 CFR 381.7.

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EXHIBIT 14

GUARANTY

This Guaranty (the "**Guaranty**") is made by Skanska USA Civil Inc., a Delaware corporation ("**Guarantor**"), in favor of the Riverside County Transportation Commission, a public entity of the State of California ("**RCTC**").

WHEREAS, Skanska USA Civil West California District Inc., a California corporation ("**Skanska West**"), a member of SC Constructors, a joint venture, acting as DB Contractor ("**DB Contractor**"), and RCTC are parties to that certain Progressive Design-Build Contract (the "**Contract**") pursuant to which the DB Contractor has agreed to develop, design, and construct the Project. Unless the context otherwise requires, capitalized terms used but not separately defined in this Guaranty will have the meaning given to them in the Contract.

WHEREAS, to induce RCTC to (i) enter into the Contract; and (ii) consummate the transactions contemplated thereby, Guarantor has agreed to enter into this Guaranty.

WHEREAS, DB Contractor is a joint venture comprised of Skanska West and Coffman Specialties, Inc., a California corporation. The Guarantor is a corporation.

WHEREAS, the execution of the Contract by RCTC and the consummation of the transactions contemplated by the Contract will materially benefit Guarantor. Without this Guaranty, RCTC would not have entered into the Contract with DB Contractor. In consideration of RCTC's execution of the Contract and consummation of the transactions contemplated by the Contract, Guarantor has agreed to execute this Guaranty.

NOW, THEREFORE, in consideration of the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

1. Guaranty.

a. Guarantor guarantees to RCTC and its successors and assigns the full and prompt payment and performance when due of all of the obligations of the DB Contractor arising out of, in connection with, under or related to the Contract (including, without limitation, the DB Contractor's obligation to make payment to RCTC for Liquidated Damages and indemnity). The obligations guaranteed pursuant to this Guaranty are collectively referred to in this Guaranty as the "**Guaranteed Obligations**."

b. Guarantor covenants to RCTC that if at any time the DB Contractor should default in the performance when due of, observance when due of, or should commit a breach of, any of the Guaranteed Obligations, Guarantor shall promptly, upon written notice by RCTC, perform or pay the Guaranteed Obligations or cause the performance or payment of the Guaranteed Obligations.

c. Guarantor agrees that, to the extent Guarantor's obligations under this Guaranty relate to obligations of the DB Contractor which require performance other than the payment of money, RCTC may proceed against Guarantor to effect specific performance of such obligations (to the extent that such relief is available). Guarantor agrees to assume or to procure the assumption of the Contract, and to perform or to procure the performance of all of the terms and

conditions under the Contract should the Contract be disaffirmed or rejected by a trustee or court in a bankruptcy proceeding involving the DB Contractor, or, at the option of RCTC, Guarantor shall, in the event of the DB Contractor's bankruptcy, make and enter into or have made and entered into, by one or more entities reasonably satisfactory to RCTC, new contract documents for the balance of the term of the Contract, which new contract documents shall be in form and substance identical to the replaced Contract.

2. Unconditional Obligations. This Guaranty is a guaranty of payment and performance and not of collection. Except as provided in Section 20, or to the limited extent that RCTC expressly and affirmatively reduces the obligations of DB Contractor under the Contract in writing by Change Order or otherwise, this Guaranty is an absolute, unconditional and irrevocable guarantee of the full and prompt payment and performance when due of all of the Guaranteed Obligations, whether or not from time to time reduced or extinguished or hereafter increased or incurred, and whether or not enforceable against the DB Contractor. If any payment made by the DB Contractor or any other Person and applied to the Guaranteed Obligations is at any time annulled, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be repaid or refunded, then, to the extent of such payment or repayment, the liability of Guarantor will be and remain in full force and effect as fully as if such payment had never been made. Guarantor covenants that this Guaranty will not be fulfilled or discharged, except by the complete payment and performance of the Guaranteed Obligations, whether by the primary obligor or Guarantor under this Guaranty. Without limiting the generality of the foregoing, Guarantor's obligations under this Guaranty will not be released, discharged or otherwise affected by:

a. except as to applicable statutes of limitation, failure, omission, delay, waiver or refusal by DB Contractor to exercise, in whole or in part, any right or remedy held by DB Contractor with respect to the Contract or any transaction under the Contract;

b. any change in the Contract or the obligations under the Contract, any change in the existence, structure or ownership of Guarantor or the DB Contractor, or any dissolution, winding up, liquidation, insolvency, bankruptcy, reorganization or similar proceeding affecting the DB Contractor, Guarantor or their respective assets or any defense that may arise in connection with or as a result of such dissolution, winding up, liquidation, insolvency, bankruptcy, reorganization or other proceeding;

c. the existence of any Claim or set-off which the DB Contractor has or Guarantor may have against RCTC, whether in connection with this Guaranty or any unrelated transaction, provided that nothing in this Guaranty will be deemed a waiver by Guarantor of any Claim or prevent the assertion of any Claim by separate suit;

d. any release of DB Contractor from any liability with respect to the Contract, except to the limited extent that RCTC expressly and affirmatively releases DB Contractor from liability under the Contract in writing by Change Order or otherwise;

e. any failure of consideration or lack of authority of the DB Contractor, any lack of validity or enforceability, illegality or defect or deficiency, or any other defense to formation of the Contract (or any term, condition or covenant thereof);

f. any change in the time, manner, terms, place of payment of, or any other term of all or any of the Guaranteed Obligations, or any other amendment, waiver of, or any consent to departure from any Contract executed in connection therewith;

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g. the incapacity or lack of power or authority of, or dissolution or change in, the members or shareholders of the DB Contractor;

h. any release or subordination of any collateral then held by RCTC as security for the performance by DB Contractor of the Guaranteed Obligations; or

i. any other circumstance that might otherwise constitute a defense available to, or a discharge of, Guarantor with respect to the Guaranteed Obligations, other than performance or payment in full of the Guaranteed Obligations.

This Guaranty will in all respects be a continuing, absolute, and unconditional guaranty irrespective of the genuineness, validity, regularity or enforceability of the Contract, Guaranteed Obligations or any part thereof or any instrument or agreement evidencing any of the Guaranteed Obligations or relating thereto, or the existence, validity, enforceability, perfection, or extent of any collateral therefor or any other circumstances relating to the Guaranteed Obligations, except as provided in Section 20.

3. Independent Obligations. Guarantor agrees that the Guaranteed Obligations are independent of the obligations of the DB Contractor and if any default occurs under this Guaranty, a separate action or actions may be brought and prosecuted against Guarantor whether or not the DB Contractor is joined therein. RCTC may maintain successive actions for other defaults of Guarantor. RCTC's rights under this Guaranty will not be exhausted by the exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless all Guaranteed Obligations have been indefeasibly paid and fully performed.

a. Guarantor agrees that RCTC may enforce this Guaranty, at any time and from time to time, without the necessity of resorting to or exhausting any security or collateral and without the necessity of proceeding against the DB Contractor. Guarantor waives the right to require RCTC to proceed against the DB Contractor, to exercise any right or remedy under any of the Contract or to pursue any other remedy or to enforce any other right.

b. Guarantor will continue to be subject to this Guaranty notwithstanding: (i) any modification, agreement or stipulation between the DB Contractor and RCTC or their respective successors and assigns, with respect to any of the Contract or the Guaranteed Obligations; (ii) any waiver of or failure to enforce the Guaranteed Obligations or any of the terms, covenants or conditions contained in any of the Contract or any modification thereof; (iii) any release of the DB Contractor from any liability with respect to any of the Contract, except to the limited extent that RCTC expressly and affirmatively releases DB Contractor from liability under the Contract in writing by Change Order or otherwise; or (iv) any release or subordination of any collateral then held by RCTC as security for the performance by the DB Contractor of the Guaranteed Obligations.

c. The Guaranteed Obligations are not conditional or contingent upon the genuineness, validity, regularity or enforceability of any of the Contract against RCTC or the pursuit by RCTC of any remedies which RCTC either now has or may hereafter have with respect thereto under the Contract.

d. DB Contractor and Guarantor acknowledge and agree that Guarantor's obligations and undertakings under this Guaranty are derivative of, and not in excess of, the Guaranteed Obligations and Guarantor shall be entitled to all rights and defenses of DB Contractor except as previously waived or disclaimed in this Guaranty. Notwithstanding any other term or provision of this Guaranty, in the event that the DB Contractor's obligations have been changed by any

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modification, agreement or stipulation between DB Contractor and RCTC or their respective successors or assigns, the term "Guaranteed Obligations" as used in this Guaranty shall mean the Guaranteed Obligations as so changed, except that the Guaranteed Obligations shall be determined without regard to the effect of any such modification, agreement or stipulation in the context of a bankruptcy or insolvency proceeding in which DB Contractor is the debtor, unless otherwise specified in the modification, agreement or stipulation.

4. Liability of Guarantor.

a. RCTC may enforce this Guaranty upon the occurrence of a breach by the DB Contractor of any of the Guaranteed Obligations, notwithstanding the existence of any dispute between RCTC and the DB Contractor with respect to the existence of such a breach.

b. Guarantor's performance of some, but not all, of the Guaranteed Obligations will in no way limit, affect, modify or abridge Guarantor's liability for those Guaranteed Obligations that have not been performed.

c. RCTC, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability of this Guaranty or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability under this Guaranty, from time to time may (i) with respect to the financial obligations of the DB Contractor, if and as permitted by the Contract, renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of financial obligations that are Guaranteed Obligations, and/or subordinate the payment of the same to the payment of any other obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto, (iii) request and accept other guarantees of the Guaranteed Obligations and take and hold security for the payment and performance of this Guaranty or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for performance of the Guaranteed Obligations, any other guarantees of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations, (v) enforce and apply any security hereafter held by or for the benefit of RCTC in respect of this Guaranty or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that RCTC may have against any such security, as RCTC in its discretion may determine, and (vi) exercise any other rights available to it under the Contract.

d. This Guaranty and the obligations of Guarantor under this Guaranty will be valid and enforceable and will not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than indefeasible performance in full of the Guaranteed Obligations), including without limitation the occurrence of any of the following, whether or not Guarantor will have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce an agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any Claim or demand or any right, power or remedy (whether arising under the Contract, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement or instrument relating thereto; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including without limitation provisions relating to events of default) of the Contract or any agreement or instrument executed pursuant thereto; (iii) RCTC's knowledge of or consent to the change, reorganization or termination of the corporate structure or existence of the DB Contractor; (iv) any defenses, set-offs or counterclaims that the DB Contractor may

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allege or assert against RCTC in respect of the Guaranteed Obligations, except as provided in Section 20.

5. Waivers. To the fullest extent permitted by law, Guarantor hereby waives and agrees not to assert or take advantage of:

a. any right to require RCTC to proceed against the DB Contractor or any other Person or to proceed against or exhaust any security held by RCTC at any time or to pursue any right or remedy under any of the Contract or any other remedy in RCTC's power before proceeding against Guarantor;

b. any defense that may arise by reason of the incapacity, lack of authority, death or disability of, or revocation hereby by Guarantor, the DB Contractor or any other Person or the failure of RCTC to file or enforce a claim against the estate (either in administration, bankruptcy or any other proceeding) of any such Person;

c. any defense that may arise by reason of any presentment, demand for payment or performance or otherwise, protest or notice of any other kind or lack thereof;

d. any defense that may arise by reason of any presentment, demand for payment or performance or otherwise, protest or notice of any other kind or lack thereof to Guarantor;

e. any right or defense arising out of an election of remedies by RCTC even though the election of remedies, such as non-judicial foreclosure with respect to any security for the Guaranteed Obligations, has destroyed the Guarantor's rights of subrogation and reimbursement against the DB Contractor by the operation of Section 580d of the California Code of Civil Procedure or otherwise;

f. all notices to Guarantor or to any other Person, including, but not limited to, notices of the acceptance of this Guaranty or the creation, renewal, extension, modification, accrual of any of the obligations of the DB Contractor under any of the Contract, or of default in the payment or performance of any such obligations, enforcement of any right or remedy with respect thereto or notice of any other matters relating thereto;

g. any defense based upon any act or omission of RCTC which directly or indirectly results in or aids the discharge or release of the DB Contractor, Guarantor or any security given or held by RCTC in connection with the Guaranteed Obligations;

h. except the foregoing shall not apply to the limited extent that RCTC expressly and affirmatively releases DB Contractor from liability under the Contract in writing by Change Order or otherwise any duty on the part of RCTC to disclose to Guarantor any facts RCTC may now or hereafter know about the DB Contractor, regardless of whether RCTC has reason to believe that any such facts materially increase the risk beyond that which Guarantor intends to assume, has reason to believe that such facts are unknown to Guarantor, or has a reasonable opportunity to communicate such facts to Guarantor. Guarantor acknowledges that it is fully responsible for being and keeping informed of the financial condition of the DB Contractor and of all circumstances bearing on the risk of non-payment of any Guaranteed Obligations;

i. the fact that Guarantor may at any time in the future dispose of all or part of its direct or indirect ownership or economic interests in the DB Contractor; and

j. any and all suretyship defenses under applicable law.

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6. Waiver of Subrogation and Rights of Reimbursement. Until the Guaranteed Obligations have been indefeasibly paid in full, Guarantor waives any claim, right or remedy which it may now have or may hereafter acquire against the DB Contractor that arises from the performance of Guarantor under this Guaranty, including, without limitation, any claim, right or remedy of subrogation, reimbursement, exoneration, contribution, or indemnification, or participation in any claim, right or remedy of RCTC against the DB Contractor, or any other security or collateral that RCTC now has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise. All existing or future indebtedness of the DB Contractor or any shareholders, partners, members, joint venturers of the DB Contractor to Guarantor is subordinated to all of the Guaranteed Obligations until such time as all Guaranteed Obligations shall have been indefeasibly paid in full. Whenever and for so long as the DB Contractor shall be in default in the performance of a Guaranteed Obligation, no payments with respect to any such indebtedness shall be made by the DB Contractor or any shareholders, partners, members, joint venturers of the DB Contractor to Guarantor without the prior written consent of RCTC. Any payment by the DB Contractor or any shareholders, partners, members, joint venturers of the DB Contractor to Guarantor in violation of this provision shall be deemed to have been received by Guarantor as trustee for RCTC.

7. Cumulative Rights. All rights, powers and remedies of RCTC under this Guaranty will be in addition to and not in lieu of all other rights, powers and remedies given to RCTC, whether at law, in equity or otherwise.

8. Notices. All demands, notices and other communications provided for under this Guaranty shall, unless otherwise specifically provided herein, comply with Section 27.11.1 of the Contract.

9. No Waiver. Any forbearance or failure to exercise, and any delay by RCTC in exercising, any right, power or remedy under this Guaranty will not impair any such right, power or remedy or be construed to be a waiver thereof, nor will it preclude the further exercise of any such right, power or remedy.

10. Assignability. This Guaranty is binding upon and inures to the benefit of the successors and assigns of Guarantor and RCTC, but is not assignable by Guarantor without the prior written consent of RCTC, which consent may be granted or withheld in RCTC's sole discretion. Any assignment by Guarantor effected in accordance with this Section 10 will not relieve Guarantor of its obligations and liabilities under this Guaranty.

11. Amendments. No amendment of this Guaranty shall be effective unless in writing and signed by Guarantor and RCTC. No waiver of any provision of this Guaranty nor consent to any departure by Guarantor therefrom shall in any event be effective unless such waiver shall be in writing and signed by RCTC. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

12. Captions. The captions in this Guaranty are for convenience only and shall not be deemed part of this Guaranty or considered in construing this Guaranty.

13. Construction of Agreement. Ambiguities or uncertainties in the wording of this Guaranty will not be construed for or against any party, but will be construed in the manner that most accurately reflects the parties' intent as of the date hereof.

14. Representations and Warranties. In addition to the representations and warranties with respect to solvency set forth in Section 16, Guarantor represents and warrants that:

a. it is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and qualified to do business and is in good standing under the laws of the State of California;

b. it has full power, right and authority to execute, deliver and perform this Guaranty;

c. the execution, delivery, and performance by Guarantor of this Guaranty have been duly authorized by all necessary corporate action on the part of Guarantor and proof of such authorization will be provided with the execution of this Guaranty;

d. this Guaranty has been duly executed and delivered and constitutes the legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms;

e. neither the execution nor delivery of this Guaranty nor compliance with or fulfillment of the terms, conditions, and provisions hereof, will conflict with, result in a material breach or violation of the terms, conditions, or provisions of, or constitute a material default, an event of default, or an event creating rights of acceleration, termination, or cancellation, or a loss of rights under: (1) the certificate of incorporation or by-laws of Guarantor, (2) any judgment, decree, order, contract, agreement, indenture, instrument, note, mortgage, lease, governmental permit, or other authorization, right, restriction, or obligation to which Guarantor is a party or any of its property is subject or by which Guarantor is bound, or (3) any federal, state, or local law, statute, ordinance, rule or regulation applicable to Guarantor;

f. it now has and will continue to have full and complete access to any and all information concerning the transactions contemplated by the Contract or referred to therein, the financial status of the DB Contractor and the ability of the DB Contractor to pay and perform the Guaranteed Obligations;

g. it has reviewed and approved copies of the Contract and is fully informed of the remedies RCTC may pursue, with or without notice to the DB Contractor or any other Person, in the event of default of any of the Guaranteed Obligations;

h. it has made and so long as the Guaranteed Obligations (or any portion thereof) remain unsatisfied, it will make its own credit analysis of the DB Contractor and will keep itself fully informed as to all aspects of the financial condition of the DB Contractor, the performance of the Guaranteed Obligations and of all circumstances bearing upon the risk of nonpayment or nonperformance of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of RCTC to disclose any matter, fact or thing relating to the business, operations or conditions of the DB Contractor now known or hereafter known by RCTC;

i. no consent, authorization, approval, order, license, certificate, or permit or act of or from, or declaration or filing with, any governmental authority or any party to any contract, agreement, instrument, lease, or license to which Guarantor is a party or by which Guarantor is bound, is required for the execution, delivery, or compliance with the terms hereof by Guarantor, except as have been obtained prior to the date of this Guaranty;

j. there is no pending or, to the best of its knowledge, threatened action, suit, proceeding, arbitration, litigation, or investigation of or before any Governmental Entity which challenges the validity or enforceability of this Guaranty;

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k. it is not subject to any outstanding judgment, rule, writ, injunction or decree of any Governmental Entity that adversely affects its ability to perform its obligations under this Guaranty; and

l. it derives a substantial direct or indirect economic benefit from the Contract.

15. Limitation by Law. All rights, remedies and powers provided in this Guaranty may be exercised only to the extent that such exercise does not violate any applicable provision of law, and all the provisions of this Guaranty are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guaranty invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

16. Bankruptcy; Post-Petition Interest; Reinstatement of Guaranty; Solvency.

a. The obligations of Guarantor under this Guaranty will not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of the DB Contractor or by any defense which the DB Contractor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding. RCTC is not obligated to file any claim relating to the Guaranteed Obligations if the DB Contractor becomes subject to a bankruptcy, reorganization, or similar proceeding, and the failure of RCTC so to file will not affect Guarantor's obligations under this Guaranty.

b. Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if said proceedings had not been commenced) will be included in the Guaranteed Obligations because it is the intention of Guarantor and RCTC that the Guaranteed Obligations should be determined without regard to any rule of law or order which may relieve the DB Contractor of any portion of such Guaranteed Obligations. Guarantor will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or any similar person to pay RCTC, or allow the claim of RCTC in respect of, any such interest accruing after the date on which such proceeding is commenced.

17. Governing Law. This Guaranty shall be governed by and construed in accordance with the law of the State of California, without regard to conflict of law principles. The venue of any court, judicial or referee proceeding under this Contract shall be in Riverside County, California, unless changed by the judicial officer.

18. Attorneys' Fees. Guarantor agrees to pay to RCTC without demand reasonable attorneys' fees and all costs and other expenses (whether by lawsuit or otherwise, and including such fees and costs of litigation, arbitration and bankruptcy, and including appeals) incurred by RCTC in enforcing, collecting or compromising any Guaranteed Obligation or enforcing or collecting this Guaranty against Guarantor or in attempting to do any or all of the foregoing.

19. Joint and Several Liability. If the Guarantor is comprised of more than one individual and/or entity, such individuals and/or entities, as applicable, shall be jointly and severally liable for the Guaranteed Obligations. If more than one guaranty is executed with respect to the DB

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Contractor and the Project, each guarantor under such a guaranty shall be jointly and severally liable with the other guarantors with respect to the obligations guaranteed under such guaranties.

20. Defenses. Notwithstanding any other provision to the contrary, Guarantor shall be entitled to the benefit of all defenses available to the DB Contractor under the Contract except (a) those expressly waived in this Guaranty, (b) failure of consideration, lack of authority of the DB Contractor and any other defense to formation of the Contract, and (c) defenses available to the DB Contractor under any federal or state law respecting bankruptcy, arrangement, reorganization or similar relief of debtors. Action against Guarantor under this Guaranty shall be subject to no prior notice or demand.

21. Entire Agreement. This Guaranty contains the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, statements, representations and negotiations between the parties with respect to their subject matter.

22. Severability. If any clause, provision, section or part of this Guaranty is ruled invalid by a court having proper jurisdiction, it will be adjusted rather than voided, to achieve the intent of the parties. The invalidity or unenforceability of any such clause, provision, section or part shall not affect the validity or enforceability of the balance of this Guaranty, which shall be construed and enforced as if this Guaranty did not contain such invalid or unenforceable clause, provision, section or part.

23. Additional Guarantor Waivers and Acknowledgements.

a. Guarantor hereby waives any and all defenses it might have that liquidated damages or stipulated damages constitute a penalty or that they do not bear a reasonable relation to the actual damages.

b. GUARANTOR ACKNOWLEDGES HAVING READ ALL OF THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON EXECUTION OF THIS GUARANTY. NO FORMAL ACCEPTANCE BY RCTC IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS EFFECTIVE AS OF THE DATE HEREOF.

[SIGNATURES ON NEXT PAGE]

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IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer effective as of this [___] day of [_____] 2026.

SKANSKA USA CIVIL INC.

a Delaware corporation

By:_____

Name: Yari Mantyla

Title: Chief Financial Officer

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Change Response / TSP Change Request
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
I-15 Toll Services Provider Contract

Change Order No. 46

Pursuant to: (check appropriate box)

☒ Written Change Notice No. 46 dated 17 February 2026, submitted by RCTC to TSP pursuant to Section 20.4.1 of the Contract

☐ TSP Change Request No._____, dated _____, submitted by TSP to RCTC pursuant to Section 20.6 of the Contract

☐ Directive Letter No. _____, dated _____, submitted by RCTC to TSP pursuant to Section 20.3 of the Contract

Reference is made to that certain Toll Services Contract (Contract No. 16-31-043-00) dated 26 January 2017, as amended, by and between Riverside County Transportation Commission ("RCTC"), a public entity of the State of California ("RCTC"), and Kapsch TrafficCom USA, Inc. f/k/a Kapsch TrafficCom Transportation NA, Inc., a corporation organized under the laws of Delaware ("TSP" or "Kapsch"), as amended, together with all Exhibits and prior amendments (the "Contract").

This Change Order amends the Contract.

Capitalized terms used, but not defined, in this Change Order have the meanings given in, and all Section and Exhibit references shall be to the Contract.

SECTION I – Narrative, Discussion of Additions, Deletions, Modifications to the Requirements of the Toll Services Contract

A. Evaluation of Change including whether TSP considers any RCTC-Initiated Change to constitute a Change and the specific provision(s) of this Contract which permit a Change Order (Section 20.4.3(a)(i)):

N/A – RCTC Initiated Change Order

Overview of scope of Change (Section 20.4.3(a)(iii)). For detailed scope of Change, please complete the Change Response Price Form:

All capitalized terms used in this Change Order #46 and not defined herein have the meanings given to such terms in the Toll Services Contract dated January 26, 2017 (as amended by this Change Order and the previous Change Orders), between the Riverside County Transportation Commission (**RCTC**) and Kapsch TrafficCom USA, Inc. (**TSP**) (together the **Contract**).

Background:

The Project is proposing to construct new lanes along Interstate 15 (I-15) between Post Mile (PM) 21.2 and PM 38.1 in Riverside County, California. The primary component consists of the extension of the I-15 Express Lanes by adding two tolled express lanes in both the northbound (NB) and southbound (SB) directions within the median of I-15, from State Route 74 (SR-74) (Central Avenue) (PM 21.2) in the City of Lake Elsinore, through the unincorporated Riverside County community of Temescal Valley, to El Cerrito Road (PM 38.1) in the City of Corona for a distance of approximately 15.8 miles. The Project would also add a SB auxiliary lane between both the SR-74 (Central Avenue) On-Ramp and Main Street (PM 21.2) Off-Ramp (approximately 0.75 mile), and the Nichols Road On-Ramp (PM 23.9) and SR-74 (Central Avenue) Off-Ramp (approximately 1 mile) (*see* Figure 1-1). The project includes widening of bridges, construction of noise barriers, retaining walls, drainage systems, and implementation of electronic toll collection equipment and signs. Associated improvements for the toll lanes, including advance signage and transition striping, would extend approximately 2 miles from each end of the express lane limits to PM 20.3 in the south and PM 40.1 in the north. The proposed lane additions and supporting infrastructure are anticipated to be constructed within the Existing Department ROW.

Figure 1-1
Project Map



Additional information regarding the I-15 Express Lanes Project Southern Extension, including a general map for the Project, can be found at the following website: https://www.rctc.org/projects/i15-express-southern-extension/.

RCTC has identified a basic concept for the Project and its delivery. The Project will be divided into the following phases:

Phase 1 (12 to 14-month period) – Preliminary feasibility, project pricing, preliminary design and pre-construction services appropriate to define and evaluate the Project elements; continued design and development, preliminary project pricing, pre-construction services and investigations of the Project and analysis of traffic impact, sub-surface investigations, air quality and noise and other environmental effects (but not including final design plans or specifications), as appropriate, to evaluate and perform analyses to comply with CEQA and NEPA; and further design and pre-construction services appropriate for the development of a non-binding proposal and commercial terms that includes a GMP, edits to the Technical Provisions, limited portions of the Contract and project schedule. The initial portion of Phase 1 will be completed within the first 90 days of Notice To Proceed and will result in the following:

1. A high-level design & preliminary cost estimate for 3 options:
    a. Full Extension Build
    b. Segment 1 Only
    c. Full Extension Build with acceleration of Segment 1

Following submission of these options, over the next 30 days, RCTC will analyze the costs for all options and select one for implementation. Upon selection of the implementation option, the remaining 8-9 months would involve supporting the DB to finalize their design and cost for the option selected. At the end of this effort, a revised capital cost estimate would be provided based on the final design.

Phase 2 (to be complete NLT June 2030)– Final design, construction, and acceptance to complete the Project.

In addition to the phase described above, the Project may be delivered in part or in full pursuant to a single Phase 2 agreement with DB Contractor or may be delivered in segments through multiple Phase 2 amendments under the Contract. In the event that RCTC proceeds with construction pursuant to multiple Phase 2 amendments with DB Contractor, construction may be overlapping between Project segments (and construction may also be overlapping if RCTC proceeds with other delivery methods or design-build contractors for subsequent segments of the Project). Notwithstanding the foregoing, the scope and nature of Initial Operating Segment may evolve and be modified, expanded, reduced or eliminated during Phase 1 of the Contract based on a number of factors, including the Environmental Review Process and Project funding. In that context, RCTC does not guarantee that Phase 2 of the Contract will occur or that any specific segment or amount of construction will occur pursuant to Phase 2 of the Contract.

Change Order #46 D&D Work Milestones:

The key milestone dates under this Change Order #46 are:

1) Provide Design Support to the ELPSE DB Contractor, as described in the Change Order, from approximate May 1, 2026 (or when the DB receives their NTP for Phase 1 design) through approximately one year of Design (completion of Phase 1 work).
2) Provide preliminary high-level Bill of Materials and preliminary schedule for future Change Order #YY (new Change Order number to be assigned when this proposed change order is executed) work.

Change Order #46 Deliverables:

TSP shall deliver the following Change Order #46 Deliverables by the applicable Delivery Date:

Deliverable	Delivery
High-level design input	Monthly – May 2026 to July 2027
Initial High-level design	First 90 days starting May 2026
Preliminary capital cost estimate	First 90 days starting May 2026

TSP shall deliver the following Deliverables, in support of development of Change Orders #YY and #ZZ by the applicable Delivery Date:

Deliverable	Format for Update	Delivery
Preliminary CO# YY Schedule	New Schedule	January 2027
Preliminary CO# YY Bill of Materials	Stand-alone BOM	January 2027
Monthly Status Report	monthly report of activities	Delivered with Monthly Invoice
Pricing for CO# YY – Installation during DB Phase 2 – Construction	Using Change Order pricing forms	January 2027
Pricing for CO# ZZ – Maintenance for Systems – Post Installation/Operations Phase	Using Change Order pricing forms	January 2027

Note: Change Order designators #YY and #ZZ are temporary placeholders used for reference only. Actual Change Order numbers will be assigned at the time of execution for each proposed change order.

Part 2: O&M Work

1) There is no O&M work associated with this Change Order 46. O&M will be a part of a separate Change Order, executed at a future date.

Part 3: Other Material Terms

1) For purposes of this Change Order, DB Contractor in the Contract and Technical Provisions shall mean the ELPSE DB Contractor selected by RCTC through a separate contract process.
2) For ease of reference, the following Contract Provisions from the TSP Contract apply to this Change Order's scope of Work:

7.9 Integration with DB Work

7.9.1 TSP shall:

Comply with its obligations to coordinate and cooperate with DB Contractor in accordance with Section 4.2, TP Section 2.12 and the Demarcation Matrix;

If requested by RCTC, (i) review and comment on submissions DB Contractor makes to RCTC under the DB Contract or inspect any work RCTC is required to inspect under the DB Contract, and (ii) provide written

comments to RCTC, in the form requested by RCTC, no later than two Business Days before RCTC is required to respond to the applicable submission or inspection under DB Contract, or if the DB Contract provides no applicable response time, ten Business Days after RCTC makes the request.

Promptly provide DB Contractor requested information in connection with D&D Work;

Participate with and assist RCTC in inspection, testing and acceptance of elements of the DB Work that interface or integrate with the D&D Work;

Except as otherwise expressly provided under this Contract, prior to proceeding with that portion of the D&D Work that depends on performance of the DB Work, inspect and promptly report to RCTC any defects in such DB Work that impact proper execution of the D&D Work; and

Subject to Section 7.9.3 and notwithstanding the division of responsibilities as shown in the Demarcation Matrix, be responsible for validating that all of the D&D Work integrates with the DB Work and any other work performed by others to produce a comprehensive TCS that is in accordance with this Contract, including providing the TSP Ready for Construction Certification pursuant to Section 8.7 and completion of the Civil Site
Acceptance Checklist and the Communications Network Acceptance Checklist pursuant to Section 8.9.4.

7.9.2 RCTC shall reasonably coordinate with TSP in connection with any inspections required under Section 7.9.1(d) and shall reasonably attempt to have such inspections done reasonably efficiently.

7.9.3 TSP shall not have any liability with respect to the design, construction and performance of the portions of DB Work undertaken by DB Contractor provided TSP has undertaken the D&D Work in compliance with this Contract, including its obligations under this Section 7.9 and Section 4.2. and further provided that once TSP has obtained RCTC approval of the TCS Infrastructure Design Document, any changes to the TCS Infrastructure Design Document shall be subject to RCTC approval, in its sole discretion, and shall not entitle TSP to any Claim, Change or Change Order.

From Section 19.2.2 of the Proposed TPs for the DB Contractor:

"Coordinate Work for the TCS Infrastructure with the TSP and support the TSP's installation of the TCS, as described in this TP Section 19 (Toll Collection System Infrastructure). During the Project's design review process, coordinate with RCTC and the TSP to design the TCS Infrastructure in compliance with TP Attachment 19-2 (TCS Infrastructure Baseline) and the Contract.

RCTC shall require TSP to review DB Contractor's designs for the TCS Infrastructure during the design review process to validate that DB Contractor's design for the TCS Infrastructure complies with TP Section 19.3 (Design Requirements) and as set forth in TP Attachment 19-2 (TCS Infrastructure Baseline).

Conduct weekly technical work group meetings in accordance with TP Section 2.5.4.1 (Technical Work Groups) to discuss and resolve design and construction issues related to the TCS Infrastructure.

Allocation of responsibilities for the TCS Infrastructure between DB Contractor and the TSP is shown in TP Attachment 19-1 (TCS Infrastructure Responsibility Matrix).

DB Contractor shall coordinate with TSP to jointly conduct informal over-the-shoulder reviews so that TSP can check for concept, level of detail, design criteria, and patent flaws during the design process.

DB Contractor shall obtain a certificate of concurrence from TSP for DB Contractor's approved Sign, Tolling, and Utility Service Concept Plan and provide to RCTC prior to approval of the concept and moving on to Preliminary Plan Submittal.

In Phase 1, before submitting the Phase 2 Proposal, DB Contractor shall hold a TCS Infrastructure review meeting, including RCTC, TSP, and estimating team, after preliminary design, to discuss the TCS elements and DB Contractor's Toll Package Turnover Plan. Finalize after the meeting. Include meeting minutes, identify any risk items in the Risk Register per TP Section 8.5.2 (Risk Register). Obtain from TSP the **TSP Concurrence with Concept Certification** for those design elements per TP Section 19.3 (Design Requirements). TSP shall have five Business Days after initial receipt of relevant Design Documents to either: (a) review and issue the corresponding **TSP Concurrence with Concept Certification**; or (b) identify Errors in the Design Documents that DB Contractor must correct in order for TSP to issue the **TSP Concurrence with Concept Certification**, in which case TSP shall have an additional five Business Days after subsequent receipt of the relevant Design Documents to repeat this process until TSP issues the corresponding **TSP Concurrence with Concept Certification**.

3) For reference, the following Technical Provisions from the TSP Technical Provisions, apply to this Change Order:

>>>>>>> From the TSP Technical Provisions >>>>>>>>

2.2.3 Task Force Meetings

TSP shall attend the DB Contractor's weekly tolling task force meetings during the D&D Phase. The meetings will be held at the Co-located Office with the DB Contractor. The DB Contractor will be responsible for the agenda and meeting notes for the weekly tolling task force meetings. TSP shall cause its Subcontractors to be present at any tolling task force meetings as reasonably requested by RCTC.

2.2.5, Paragraph 1 Partnering Meetings

TSP Key Personnel shall attend all partnering meetings with DB Contractor and RCTC as scheduled by the DB Contractor. Partnering meetings shall be held quarterly at a site in Riverside County to be determined by RCTC.

2.6.4.2 Baseline Schedule

22) Interface Milestones. An interface milestone denotes the transition of work from one contractor to another. TSP activities that relate to DB Contractor activities shall be preceded and/or followed by an interface milestone. This interface milestone shall be used to link DB Contractor activities to TSP activities. TSP shall work with DB Contractor to define interface milestones. By way of example, if DB Contractor requires information regarding the placement of conduit from TSP, an interface milestone shall be set up in both TSP's and DB Contractor's respective schedules to identify the delivery of drawings from TSP to DB Contractor for each bridge and roadway package. Similarly, if TSP needs to inspect infrastructure completed by DB Contractor, there shall be an interface milestone in both TSP's and DB Contractor's respective schedules related to inspection and acceptance of such infrastructure.

2.12 Coordination of the Work

Specifically:

2.12.2 Review of DB Contractor's Design

2.12.3 Civil Coordination Meetings

4.2 TCS Infrastructure Design Document/Review (IDD/IDR)

NOTE: The Infrastructure Design Document, Vol. 1 Roadside, v3.0, and attachments will be provided to the DB Contractor.

4.6.4 Package Turnover

7.1.5, Paragraph 1 Network

TSP shall work with DB Contractor on the Communication Network system, including supplying bandwidth requirements, reviewing the design and participating in the final end to end network testing.

7.1.7, Paragraph 1 Roadside Equipment Enclosures

TSP shall coordinate with the DB Contractor during the DB Contractor's civil design effort and provide the DB Contractor with TSP's specifications for foundations and mounting surfaces required for installation of the Lane Controller Cabinets to ensure that DB Contractor's work is compatible with the TCS design. TSP shall specify, furnish and install Lane Controller cabinets onto the foundations or mounting surfaces that the DB Contractor provides in accordance with the TSP's Infrastructure Requirements.

9.4 Closed Circuit Television System

9.4.1 TSP Responsibilities

4) TSP shall review DB Contractor's line of site surveys and proposed locations;
5) TSP shall coordinate with DB Contractor on service and power connections. TSP shall be responsible for running power/data connections from the power/data equipment enclosure(s) to TSP installed equipment;
6) TSP shall coordinate with DB Contractor on items that require DB Contractor's input and which may impact on the cost, operation, maintenance, system performance and accuracy of the Toll Services with the oversight from RCTC;

9.4.2 Coordination with DB Contractor

DB Contractor will design, furnish, and install foundations and poles for all CCTV cameras, and TTMS/MVD devices. As part of the DB Contractor's design work, DB Contractor is responsible for identifying the CCTV camera locations and spacing in accordance with the following criteria:

1) Provide full coverage of the ELs within the planned right-of-way limits;

2) CCTV cameras must not be located within the median of the roadway;

3) Locate cameras between interchanges with other overcrossing roadways, to allow monitoring under structures; and

4) Place cameras in a location that doesn't require a lane closure to safely maintain the camera where possible.

TSP shall review DB Contractor's designs during the design review process to confirm the locations and pole heights for each camera location. TSP shall furnish a NEMA 3R cabinet to be installed by DB Contractor on the camera pole.

DB Contractor will provide all electrical power at the CCTV camera site, providing 120 VAC service at each site. The power service cabinet will be provided at the CCTV camera site, and will contain a transformer, main disconnect switch, and load circuit breakers for circuit protection in accordance with TSP's Infrastructure Requirement.

TSP will work with DB Contractor on the placement of poles for the TTMS/MVD traffic sensors, including the designation of proper heights for poles.

11 COMMUNICATIONS NETWORK

11.1, Paragraph 1 General Requirements

The Communication Network shall serve as the backbone for communications for the TCS. The infrastructure of the TCS communication system is largely the responsibility of DB Contractor in accordance with the Demarcation Table in Attachment 2 – ELPSE DB TP Attachment 19-1 (TCS Infrastructure Responsibility Matrix). The DB Contractor will install and test fiber-optic conduit and fiber-optic cables. The TSP shall be responsible for all fiber optic connections to field devices, including all switches. The TSP is responsible for the communications systems within the ROC. The TSP shall be responsible for coordination with DB Contractor and to provide bandwidth needs and the logical communication system design. The TSP is responsible for operating and maintaining the Communications Network. The TSP shall perform an end to end test of the fiber installed by the DB Contractor prior to operating and maintaining.

Part 4:

Payments based on labor, overhead, margin, ODC, and subcontract costs will be paid monthly as shown in Attachment 1.

Part 5: ROW Access

For purposes of this Change Order, no ROW access is required.

Part 6: Additional Definitions (Exhibit 1 to the Contract)

ELPSE DB Contractor/DB Contractor – to be selected by RCTC

Part 7: Impacts on Existing Definitions and Contract Provisions

For purposes of this Change Order #46, the Setting Date, the Effective Date and similar reference dates under the Contract will be the date of issuance of this Change Order.

Except as specifically provided otherwise in this Change Order:

1) Defined terms previously applying generally to the ELP Project (such as "Project," "D&D Work," "Toll Services," "Work," "Completion Deadlines," "Total Capital Cost," etc.): (a) will retain the same names and the definitions will be revised to include ELPSE; but (b) corresponding ELP Project-specific defined terms will also be created so as to distinguish from ELP, SR-91, ELC, and ELPSE as needed.

2) Provisions in the Contract of general application to the ELP Project (such as TSP's indemnities, events of default) will also apply to ELSPE.

B. Analysis of (impact of the Change on the performance of other aspects of the D&D Work, O&M Work, RCTC or RCTC's toll operations (as applicable); (Section 20.4.3(a)(v)):

All impacts of the Change are reflected in this Change Order #46, and there are no other impacts of the Change on the performance of other aspects of the D&D Work, O&M Work, RCTC or RCTC's toll operations.

C. Proposed plan for mitigating impacts of the Change (Section 20.4.2(a)(x)):

N/A

D. Additions / deletions / modifications to the requirements of the Contract including KPIs (if any) (Section 20.4.3(a)(viii)):

N/A

SECTION II – Cost Impact(s)

A. Summary

Compensation under this Change Order is to be paid (check the applicable boxes below):

☐ n/a[1] $0.00 ("no cost") Change Order.

☐ as a lump sum adjustment to the Contract Price in the amount of _____ dollars ($ _____).

☒ as a series of milestone payments in the following amounts:

1) Payments will be made on a monthly basis in accordance with the Payment Schedule shown in Attachment 1.

☐ as an adjustment to Total O&M Years 1 and 2 Cost or Total O&M Years 3, 4 and 5 Cost

See Section I, Subsection B (Overview of Scope), Part 4, Item C for the Monthly Payment Schedule for O&M for the SR-91 (Phase 1) Pre-ELP O&M Work.

☐ as a Unit Price Change Order for increases or decreases in the Contract Price [not to exceed] / [in the amount of] _____ dollars ($ _____))

☐ as a Time and Materials Change Order, [not to exceed _____ dollars ($ _____)]

☐ as is set forth below, under Section II(B)([2] / [3]).***[select the proper reference]***

☐ If more than one box has been checked, also check this box and summarize terms here:

_____
_____
_____
_____

Documentation supporting the Change Order is attached as Annex[es] _____ [through _____].

B. Special Considerations

1. Delay and disruption damages for Excusable Delay (Section 20.10). ☒ n/a

Compensation available for Change Orders are (only) extra Work Costs and delay Costs directly attributable to the proposed Change and exclude certain costs and expenses.

- Total extra Work Costs: $_____

[1] If $0 (i.e., a "no cost" Change Order), leave remainder of Section II blank.

- Total delay and disruption damages: $ _____

Discussion (if any):

_____
_____
_____
_____

2. Deductive RCTC Changes. ☒ n/a

If this Change Order is a deductive change

Net Cost[2] Savings attributable to the deductive change $ _____

Amount due to RCTC attributable to the deductive Change (or which can be used by RCTC, in its sole discretion, to offset payment to TSP) $ _____

Discussion (if any):

_____
_____
_____
_____
_____
_____

[2] When both additions and reductions are involved in any one Change Order, the adjustment shall be determined on the basis of net increase or decrease. TSP Margin will be allowed only for the net increase in labor Cost in order to establish the amount to be added to the Contract Price. In determining a deductive change order, any deduction will include the amount of TSP Margin and Audited Overhead which would have been payable on such amounts by RCTC in accordance with Section 20.

SECTION III – Completion Deadline Impacts (Applicable to All Change Orders)

The status of the CSC Commencement Deadline is as follows:

☒ Unaffected by this Change Order

☐ Affected by [extending] / [accelerating] the date of the CSC Commencement Deadline by _____calendar days to _____ calendar days prior to Revenue Service Commencement.

The status of the Revenue Service Commencement Deadline is as follows:

☒ Unaffected by this Change Order

☐ Affected by [extending] / [accelerating] the date of the Revenue Service Deadline by _____calendar days to _____ Days after the Package 4 Turnover Date.

The status of the total Float is as follows:

☒ Unaffected by this Change Order

☐ Affected by this Change Order as follows:

_____
_____
_____
_____

If this Change Order is issued as a result of, or relating to, an Excusable Delay or a shortening time, TSP's Critical Path time impact delay analysis is attached as Annex _____ (Section 20.4.3(a)(vi)). ☒ n/a

SECTION IV - (Reviewed and recommended agreed by TSP's [Project Manager-D&D Work] or [Project Manager-O&M Work])

By: _____

Name: William J. DeSena

Title: Senior Project Manager

Date: _____

Comments:

_____
_____
_____
_____

SECTION V - (Reviewed and agreed by TSP)

The undersigned Authorized Representative of TSP hereby certifies, under penalty of perjury, as follows:

1. Sections I, II and III of this Change Order, including all Worksheets and Annexes, collectively represent a true, accurate and complete summary of all aspects of this Change Order.

2. The amounts of time and/or compensation set forth in this Change Order (a) are, in each case, justified as to entitlement and amount, (b) reflect all changes to compensation for and scheduling of the Project (inclusive of all Subcontractor and Supplier amounts, impacts), (c) is complete, accurate and current and (d), in each case, the amounts of time, if any, and/or compensation, if any, agreeable to, and is hereby agreed by, TSP.

3. This Change Order includes all known and anticipated impacts or amounts, direct, indirect and consequential, which have been and may be incurred, as a result of the event, occurrence or matter giving rise to this Change Order. This Change Order constitutes a full and complete settlement of all Losses, Claims, matters, issues and disputes existing as of the effective date of this Change Order, of whatever nature, kind or character relating to the event, occurrence or matter giving rise to this Change Order and the performance of any extra Work that this Change Order documents or relates, including all direct and indirect costs for services, equipment, manpower, materials, overhead, profit, financing, delay and disruption arising out of, or relating to, the issues set forth herein. TSP acknowledges that it shall not be entitled to assert any Claim for relief under the Contract for delay, disruption costs or any other adverse financial or Project Schedule impacts existing as of the effective date of this Change Order and arising out of, or relating to, the event, occurrence or matter giving rise to this Change Order or such extra Work.

4. If the foregoing Change Order includes claims of Subcontractors or Suppliers, TSP represents that authorized representatives of each Subcontractor and Supplier, if any, reviewed such claims, this Change Order and accept this Change Order as dispositive on the same, subject to separate Contract between TSP and each such Subcontractor and Supplier, as applicable. Furthermore, TSP has determined in good faith that such claims are justified as to both entitlement and amount.

5. The cost and pricing data forming the basis for the Change Order is complete, accurate and current, with specific reference to the California False Claims Act (Government Code section 12650 et. seq.) and the U.S. False Claims Act (31 USC § 3729 et seq.)

6. It is understood and agreed that this Change Order shall not alter or change, in any way, the force and effect of the Contract, including any previous amendment(s) thereto, except insofar as the same is expressly altered and amended by this Change Order.

7. This Change Order supersedes all prior commitments, negotiations, correspondence, conversations, Contracts or understanding applicable to the issues addressed herein. No deviation from the terms hereof shall be predicated upon any prior representations or Contracts, whether oral or written, other than the Contract, as amended in accordance with its terms.

8. This Change Order is binding upon, and shall insure to the benefit of, each of the parties and their respective heirs, personal representatives, successors and assigns.

IN WITNESS, WHEREOF, TSP, intending to be legally bound, has executed this Change Order as of the date below.

TSP:
Kapsch TrafficCom USA, Inc.

Date: _____

By: _____
Name: Jim Kriwin
Title: Vice President, Tolling Delivery

SECTION VI - (Reviewed and recommended by RCTC)

By:_____
Name: Jennifer Crosson

Title: Toll Operations Director

Date: _____

Comments:

_____
_____
_____
_____

SECTION VII - (Agreed by RCTC's Authorized Representative)

IN WITNESS WHEREOF, RCTC, intending to be legally bound, has executed this Change Order as of the date first written above.

Date: _____

(the effective date of this Change Order)

RCTC

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

By: _____

Name: Aaron Hake

Title: Executive Director

ATTACHMENT 1
CHANGE ORDER #46 PRICE/PAYMENT SHEET

#	Description	Unit	Qty	Unit Price	Total
1	Design Support Services – Tolling – to support ELPSE DB Design – Month 1	Lot	1	$147,342	$147,342
2	Design Support Services – Tolling – to support ELPSE DB Design – Month 2	Lot	1	$147,342	$147,342
3	Design Support Services – Tolling – to support ELPSE DB Design – Month 3	Lot	1	$147,342	$147,342
4	Design Support Services – Tolling – to support ELPSE DB Design – Month 4	Lot	1	$62,507	$62,507
5	Design Support Services – Tolling – to support ELPSE DB Design – Month 5	Lot	1	$62,507	$62,507
6	Design Support Services – Tolling – to support ELPSE DB Design – Month 6	Lot	1	$62,507	$62,507
7	Design Support Services – Tolling – to support ELPSE DB Design – Month 7	Lot	1	$62,507	$62,507
8	Design Support Services – Tolling – to support ELPSE DB Design – Month 8	Lot	1	$62,507	$62,507
9	Design Support Services – Tolling – to support ELPSE DB Design – Month 9	Lot	1	$62,507	$62,507
10	Design Support Services – Tolling – to support ELPSE DB Design – Month 10	Lot	1	$62,507	$62,507

#	Description	Unit	Qty	Unit Price	Total
11	Design Support Services – Tolling – to support ELPSE DB Design – Month 11	Lot	1	$62,507	$62,507
12	Design Support Services – Tolling – to support ELPSE DB Design – Month 12	Lot	1	$62,507	$62,507
13	Design Support Services – Tolling – to support ELPSE DB Design – Month 13	Lot	1	$64,798	$64,798
14	Design Support Services – Tolling – to support ELPSE DB Design – Month 14	Lot	1	$64,798	$64,798
				Total	$1,134,185

Note: Month 1 starts at issuance of NTP.

ATTACHMENT 2
ELPSE DB TECHNICAL PROVISION ATTACHMENT 19-1 – TCS INFRASTRUCTURE RESPONSIBILITY MATRIX

TSP and DB Contractor Demarcation Matrix

No.	Express Lane Element/Components/Sub-system	Toll Services Provider (TSP)				DB Contractor			
		Design	Furnish	Install	Maintenance	Design	Furnish	Install	Maintenance
Toll Collection System									
1	CCTV Camera Pole and Foundation	Input Required			Yes	Yes	Yes	Yes	
2	CCTV Camera Mounting Adapters	Yes	Yes	Yes	Yes				
3	CCTV Surveillance Cameras	Yes	Yes	Yes	Yes				
4	License Plate Recognition Cameras	Yes	Yes	Yes	Yes				
5	Equipment Cabinet	Yes	Yes		Yes			Yes	
6	Wireless Device for CMS	Yes	Yes	Yes	Yes				
7	Roadside Cabinet with Lane Controller	Yes	Yes		Yes			Yes	
8	Roadside Lane Controller Cabinet Foundation and Pads	Input Required			Yes	Yes	Yes	Yes	
9	Beacon (VES)	Yes	Yes	Yes	Yes				
10	Transponder Tag Reader (AVI)	Yes	Yes	Yes	Yes				
11	Brackets	Yes	Yes	Yes	Yes				
12	Toll Gantry	Input Required			**	Yes	Yes	Yes	
13	Toll Gantry Foundation	Input Required			**	Yes	Yes	Yes	
14	Grounding Rod and lightening protection	Input Required			Yes	Yes	Yes	Yes	
15	Post Mounted Traffic Detection for EL	Yes	Yes	Yes	Yes				
16	Occupancy Detection (By Others)	Input Required			**				
Signs									
17	Variable Toll Message Sign LED Inserts	Yes	Yes	Yes	Yes	Input Required			
18	Full CMS (Informational)	Yes	Yes	Yes	Yes	Input Required			
19	Static Sign Panel (Without Insert)	Input Required			**	Yes	Yes	Yes	
20	Structure and Foundation for All Signs	Input Required			**	Yes	Yes	Yes	

* DB Contractor and Toll Service Provider need to coordinate on all items

** To be determined by RCTC

TSP and DB Contractor Demarcation Matrix

No.	Express Lane Element/Components/Sub-system	Toll Services Provider (TSP)				DB Contractor			
		Design	Furnish	Install	Maintenance	Design	Furnish	Install	Maintenance
Power & Communications									
21	Electrical Cable, Transformers, Service Connection and Conduit from Electric Meter to Roadside Equipment Cabinet	Input Required			Yes	Yes	Yes	Yes	
22	Electrical Cables from Roadside Equipment Cabinet to Tolling Gantry and Equipment, Variable Toll Message Signs, and Changeable Message Signs	Yes	Yes	Yes	Yes	Input Required			
23	TCS Communication Network Fiber Optic Conduit, Cables and Vaults	Input Required			Yes	Yes	Yes	Yes	
24	TCS Communication Network Fiber Optic Laterals/Directional Bores with Cable to Equipment Cabinet	Input Required			Yes	Yes	Yes	Yes	
25	TCS Communication Network Fiber Optic Cable from Equipment Cabinet to Tolling Gantry and Equipment, Variable Toll Message Signs, and Changeable Message Signs	Yes	Yes	Yes	Yes	Input Required			
26	All Other Conduits and Pull Boxes	Input Required			Yes	Yes	Yes	Yes	
27	Electrical Service Cabinets with Concrete Pad/Foundation	Input Required			Yes	Yes	Yes	Yes	
Pavement									
28	Pavement for Express Lanes	Input Required			**	Yes	Yes	Yes	
29	Pavement for General Purpose Lanes				**	Yes	Yes	Yes	
30	Pavement for Shoulder				**	Yes	Yes	Yes	

* DB Contractor and Toll Service Provider need to coordinate on all items

** To be determined by RCTC

MEMORANDUM OF UNDERSTANDING
BETWEEN
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND
THE CITY OF CORONA

FOR CONSTRUCTION OF THE INTERSTATE 15 EXPRESS LANE PROJECT SOUTHERN EXTENSION

This Memorandum of Understanding ("MOU") is made and entered into this _____ day of _____, 2026 ("Effective Date") by and between the Riverside County Transportation Commission ("RCTC") and the City of Corona ("City"). RCTC and the City are sometimes referred to herein individually as "Party", and collectively as "Parties".

RECITALS

WHEREAS, RCTC is undertaking the construction of two new tolled express lanes in each direction in the median of Interstate 15 (I-15) from approximately Cajalco Road in the City of Corona to approximately State Route 74 (Central Avenue) in the City of Lake Elsinore for distance of approximately 15.8 miles, herein referred to as "Project". The Project is further depicted in Exhibit A.

WHEREAS, the Project extends to the south of the existing I-15 Express Lanes which opened in 2021 and currently ends in the vicinity of Cajalco Road. The Project proposes the widening of up to 15 bridges; potential construction of noise barriers, retaining walls, and drainage systems; and implementation of electronic toll collection equipment and signs.

WHEREAS, the Project includes three toll zones in each direction, each approximately 5 miles in length, and are commonly referred to as "Segments". The ingress and egress, into and out of the toll lanes respectively, is expected to be consistent with the existing I-15 Express Lanes.

WHEREAS, no new permanent right-of-way is expected to be acquired as the Project is constructed entirely within the existing freeway right-of-way.

WHEREAS, no modification of any City owned facility is currently expected. The only expected impact to local city streets may be temporary impacts due to the inside widening of the existing State owned Weirick Road undercrossing bridge.

WHEREAS, RCTC intends to utilize the Progressive Design Build (PDB) approach to design and construct the Project in Segments as funding becomes available. The first Project Segment to be constructed and opened to traffic is referred to as the Initial Operating Segment and is expected to be the northerly most toll segment, with the southerly limits at approximately the Indian Truck Trail interchange.

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WHEREAS, the Parties acknowledge that RCTC has or shall fully comply with the California Environmental Quality Act (CEQA) and all other applicable laws, as a precondition to construction of the Project.

WHEREAS, it is the intent of the Parties to enter into this MOU to establish and coordinate the responsibilities of the Parties with respect to the Project, establish certain opportunities for cooperation and coordination and set forth various responsibilities of the Parties all as further set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually understood and agreed by RCTC and the City as follows:

TERMS

1. Definitions. In addition to the definitions set forth in the recitals above, the following terms shall have the meanings as set forth below.

1.1 As used in this MOU, The term "PDB Phase 1" shall refer to the period of time in which RCTC and the design builder are developing preliminary design and mutually negotiating the cost for the final design and construction. PDB Phase 1 may cover the entire Project or segments therein.

1.2 As used in this MOU, The term "PDB Phase 2" shall refer to the period in which RCTC and the design-builder are developing final design and constructing the project. PDB Phase 2 may cover the entire Project or segments therein.

1.3 As used in this MOU, the term "City's Jurisdiction" shall mean and refer to the areas within the Project limits either owned and/or maintained by the City. As used herein, the term "City's Jurisdiction" expressly excludes the State highway and Riverside County owned right of way.

1.4 As used in this MOU, the term "City Standards" shall mean and refer to the City's standard plans, specifications, policies, guidelines, and ordinances, design criteria, construction details, and testing/inspection requirements, and amendments and supplements thereto, for work within the City's Jurisdiction, approved by the City and in effect six months prior to execution of any PDB Phase 2 contract between RCTC and the design-builder.

2. Term. This MOU shall be effective as of the date first set forth above, and shall continue in effect until the Project is completed and accepted by RCTC, as will be further defined in the RCTC and design-builder PDB Phase 2 contract, unless otherwise terminated as specified in this MOU ("Term").

3. Agreement to Cooperate. The Parties agree to mutually cooperate in order to help ensure that the Project is successfully completed with minimum impact to both Parties, and the City commits to support the Project. The Parties will coordinate any

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concurrent construction projects occurring during the PDB Phase 2 period to minimize impacts to both parties.

4. Additional Improvements Requested by City. If the City requests additional improvements to City owned facilities within the Project limits, the Parties will mutually cooperate to incorporate the improvements to the extent reasonable without doing harm to the Project. The City may be responsible for environmental approvals and will pay for all costs of any City requested betterment outside of RCTC's Project scope as defined in the approved final Project Report. RCTC has the sole discretion of approving the addition of any City requested improvements into the Project.

5. Obligations of the City. If consistent with all applicable local, state and federal laws and regulations, the City agrees as follows:

5.1 The City shall process all plan review requests in a timely manner.. The City shall timely review design plans for Project work, if any, to be completed within the City's Jurisdiction, and provide any approvals or comments within thirty (30) days of receipt of the plans. No design or construction within the City's Jurisdiction shall be deemed approved until written concurrence is provided by the City Engineer. The City shall inspect the Project work completed within the City's Jurisdiction upon written notice of completion of the work by RCTC to the City, and shall provide approval or identify any punch list work per the terms of the City issued encroachment permit.

5.2 The City shall process all permit requests in a timely manner. Any waiver of City fees shall be subject to mutual written agreement between the City and RCTC. Encroachment permits shall be processed in no more than fifteen (15) working days after receipt of a complete encroachment permit application from the design-builder. The City shall not issue any encroachment permits to any other contractors if the proposed work thereunder has the potential to delay or impact the Project, without first coordinating the same with the design-builder and RCTC.

5.3 The City shall have appropriate representatives regularly attend meetings of the design-builder's task forces formed for public information, traffic management and detours, and related construction work impacting the City, and shall provide input at such meetings related to Project work that may impact City residents. The City will not charge RCTC for the above listed activities in this Section 5.3.

5.4 The City should retain the ability to recover actual costs associated with staff time, inspections, and administrative oversight associated with City issued encroachment permits.

5.5 Waiver of street trenching restrictions shall apply only to work directly related to the Project and shall remain subject to City review and approval of restoration methods.

5.6 Following completion of the Project work within the City's Jurisdiction and prior to final acceptance thereof, the City shall timely review and provide approval of

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the work or identify any punch list work within fifteen (15) days from the written request for the final inspection. The City shall assume responsibility for the Project facilities completed within the City's Jurisdiction upon final acceptance of the work by RCTC and shall be solely responsible and liable for the operation, maintenance and use of, including all subsequent public use of such Project facilities, at no cost or expense to RCTC.

5.7 The City will make its best efforts to perform all obligations of the City related to the Project in such a manner as to allow the Project to progress as scheduled.

6. Obligations of RCTC.

6.1 RCTC shall be responsible for providing all services to complete the Project, or as reasonably necessary for Project completion and for obtaining all applicable environmental approvals and permits necessary to complete the Project, other than that mutually agreed upon additional improvements under Section 4.

6.2 RCTC shall be responsible for providing all funding for the Project, other than that mutually agreed upon additional improvements under Section 4.

6.3 RCTC shall be responsible for the process of selecting the design-builder in compliance with all applicable local, state and federal laws and allow a representative for the City to participate in the selection process.

6.4 RCTC shall construct any Project work within the City's Jurisdiction, including work under Section 4, to the City Standards that will be defined in the contract between RCTC and its design-builder.

6.5 RCTC shall provide the City an opportunity to inspect the Project work within City's Jurisdiction during construction as part of the Project, per the associated City issued encroachment permit. RCTC shall bear all costs for restoration or reconstruction of existing City facilities impacted by the Project pursuant to the City issued encroachment permit. The City shall only be responsible for the cost of optional betterments it specifically requests.

6.6 RCTC shall require its design-builder to obtain all required permits and approvals from the City for construction of any Project work within the City's Jurisdiction. RCTC shall coordinate with the City to ensure all required City permits and approvals are addressed prior to construction

6.7 RCTC shall include, in its contract with the design-builder, a requirement that the design-builder include the City as an additional insured and as an indemnified party under said agreement, in accordance with the requirements of the City issued encroachment permit.

6.8 RCTC shall include, in its contract with the design-builder, a requirement that the design-builder repair any damage caused by its operations to Weirick Road between the on and off ramp termini with Weirick Road.

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6.9 Except in the case of an unforeseen circumstance, RCTC shall require its design-builder to provide at least a fifteen (15) day notification to City prior to any full or partial closure of any streets within City's Jurisdiction exceeding one (1) day in duration. Short-term closures of less than one (1) day in duration shall require seventy-two (72) hours prior notice.

6.10 RCTC will institute a public outreach campaign to keep emergency responders, School District transportation department, transit operators, the residents of the City and the general public apprised of the Project work, and any street closures and other impacts to use of City right of way that may result from the Project. In addition, RCTC shall develop and maintain a written Emergency Response plan that includes emergency contact information for RCTC's design-builder, County of Riverside, City of Corona emergency responders and design-builder personnel that would be expected to respond to an emergency situation.

7. Mutual Agreement

7.1 The Parties agree that PDB nature of the project results in the project being designed and constructed in segments, or its entirety, as funding becomes available.

7.2 The Parties agree that the express lane access locations as depicted in the draft environmental document publicly circulated on October 9, 2024 are preliminary and subject to change during preliminary and final design. Final express lane access locations are at the sole discretion of RCTC and in accordance with all applicable design standards.

7.3 The Parties agree that currently there are no known additional improvements or reconstruction of any City owned facilities within City's Jurisdiction.

7.4 Other than reviews related to final inspection and City Acceptance of the Project facilities within the City's Jurisdiction, the Parties agree that RCTC shall be the party responsible for conducting reviews of the Contractor's designs and plans, and for performance of any required field inspections to document that the work performed conforms to City Standards. RCTC shall provide the City copies of all design plans for improvements within City's Jurisdiction, for review and comment during development by the Contractor of the final design for the Project. Approval of the Contractor's designs and plans shall remain within the sole discretion of RCTC.

8. Indemnification.

8.1 RCTC shall indemnify, defend and hold the City, its directors, officials, officers, employees, agents, consultants and design-builders free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any negligent acts, omissions or breach of law, or willful misconduct of RCTC, its officials, officers, employees, agents, consultants or design-

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builders in the performance of RCTC's obligations under this MOU, including the payment of all reasonable attorneys' fees.

8.2 The City shall indemnify, defend and hold RCTC, its directors, officials, officers, employees, agents, consultants and design-builders free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any negligent acts, omissions or breach of law, or willful misconduct of the City, its officials, officers, employees, agents, consultants or design-builders in the performance of the City's obligations under this MOU, including the payment of all reasonable attorneys' fees.

8.3 The indemnification provisions set forth in this Section 8 shall survive any expiration or termination of this MOU.

9. Delivery of Notices. All notices permitted or required under this MOU shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

CITY:

City of Corona
400 South Vicentia Ave
Corona, CA 92882
Attn: Public Works Director

COMMISSION:

Riverside County Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered, electronically delivered to the persons identified above provided that receipt of such electronic delivery is confirmed to the sending Party by the receiving Party, or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

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10. Counterparts. This MOU may be signed in counterparts, each of which shall constitute an original.

11. Electronically Transmitted Signatures; Electronic Signatures. A manually signed copy of this MOU which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this MOU for all purposes. This MOU may be signed using an electronic signature.

[Signatures on following page]

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SIGNATURE PAGE
TO
MEMORANDUM OF UNDERSTANDING

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding on the date first herein above written.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

By:_____
Aaron Hake, Executive Director

Approved as to Form:

By: _____
Best Best & Krieger LLP
General Counsel

CITY OF CORONA

Approved by the
City Council

By: _____
Jim Steiner
Mayor

Recommended for approval:

By: _____
Savat Khamphou
Public Works Director

ATTEST:

By: _____
Syliva Edwards
City Clerk (SEAL)

Approved as to Form:
City Attorney

By: _____
Dean Derleth, City Attorney

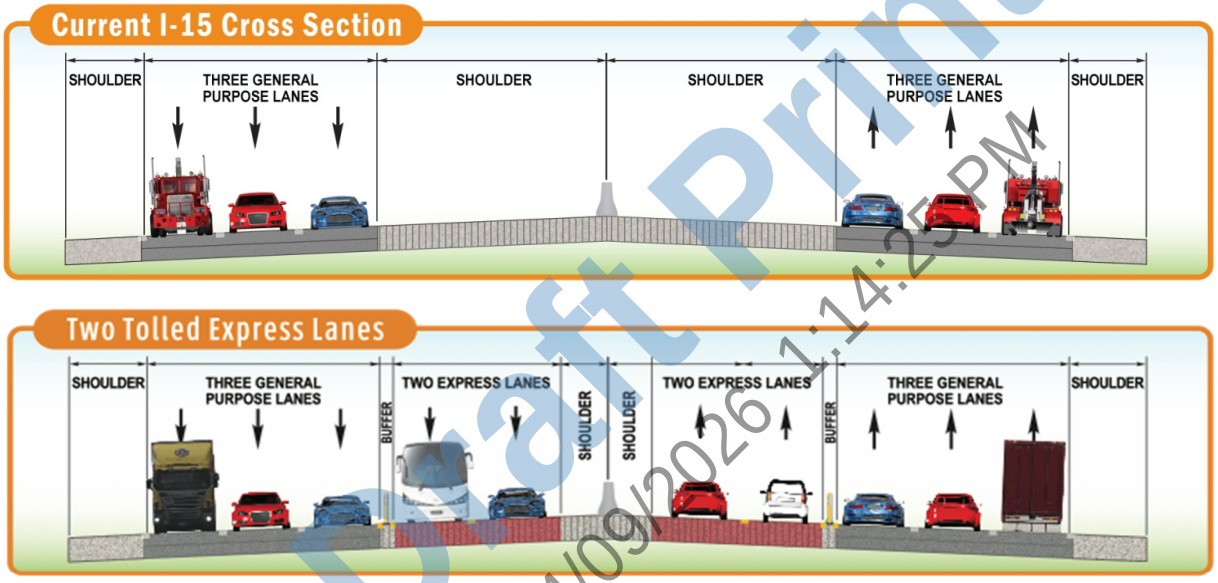
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EXHIBIT "A"

As depicted in Figure 1, the proposed Project will construct two new tolled express lanes in each direction in the median of Interstate 15, extending to the south the existing I-15 Express Lanes that opened in 2021, from approximately Cajalco Road in Corona to approximately State Route 74 in the City of Lake Elsinore, approximately 15.8 miles. The Work will take place in the Cities of Corona, Lake Elsinore and the County of Riverside.

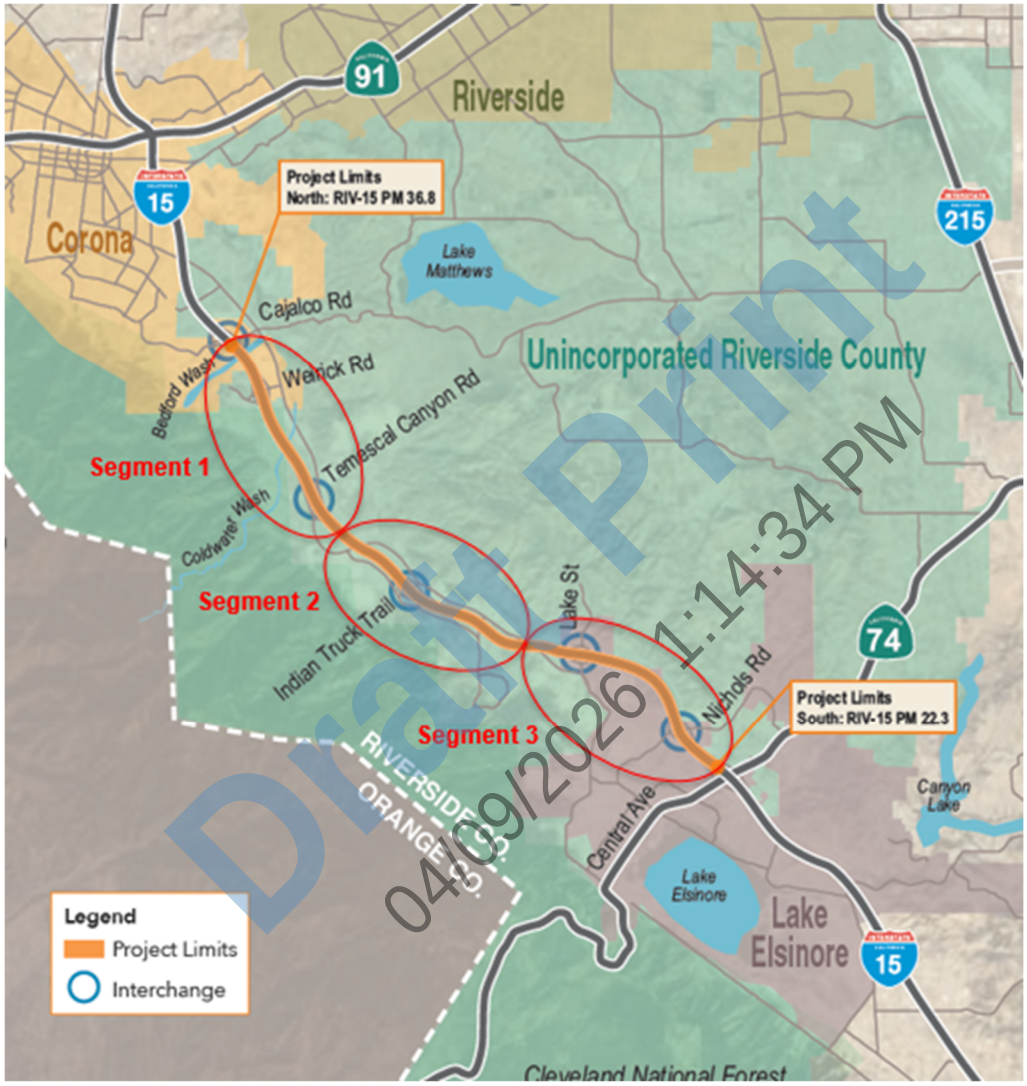
The Express Lane toll zones, also referred to as segments, are depicted in Figure 2. The first construction segment, referred to as the Initial Operating Segment, is expected to be Segment 1.

Figure 1



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Figure 2


91
Riverside
15
Corona
Project Limits
North: RIV-15 PM 36.8
215
Lake
Matthews
Cajalco Rd
Unincorporated Riverside County
Bedford Wash
Weirick Rd
Temescal Canyon Rd
Segment 1
Coldwater Wash
Segment 2
Indian Truck Trail
Lake St
74
Nichols Rd
Project Limits
South: RIV-15 PM 22.3
Segment 3
RIVERSIDE CO.
ORANGE CO.
Canyon
Lake
Central Ave
Lake
Elsinore
Lake
Elsinore
15
Cleveland National Forest
Legend
Project Limits
Interchange
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MEMORANDUM OF UNDERSTANDING
BETWEEN
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND
THE CITY OF LAKE ELSINORE

FOR CONSTRUCTION OF THE INTERSTATE 15 EXPRESS LANE PROJECT SOUTHERN EXTENSION

This Memorandum of Understanding ("MOU") is made and entered into this _____ day of _____, 2026 ("Effective Date") by and between the Riverside County Transportation Commission ("RCTC") and the City of Lake Elsinore ("City"). RCTC and the City are sometimes referred to herein individually as "Party", and collectively as "Parties".

RECITALS

WHEREAS, RCTC is undertaking the construction of two new tolled express lanes in each direction in the median of Interstate 15 (I-15) from approximately Cajalco Road in Corona to approximately State Route 74 (Central Avenue) in the City of Lake Elsinore for distance of approximately 15.8 miles, herein referred to as "Project". The Project is further depicted in Exhibit A.

WHEREAS, the Project extends to the south of the existing I-15 Express Lanes which opened in 2021 and currently ends in the vicinity of Cajalco Road. The Project proposes the widening of up to 15 bridges; potential construction of noise barriers, retaining walls, and drainage systems; and implementation of electronic toll collection equipment and signs.

WHEREAS, the Project includes three toll zones in each direction, each approximately 5 miles in length, and are commonly referred to as "Segments". The ingress and egress, into and out of the toll lanes respectively, is expected to be consistent with the existing I-15 Express Lanes.

WHEREAS, no new permanent right-of-way is expected to be acquired as the Project is constructed entirely within the existing freeway right-of-way.

WHEREAS, no modification of any City owned facility is currently expected. The only expected impact to local city streets may be temporary impacts due to the inside widening of the existing State owned overcrossing bridge at Lake Street.

WHEREAS, RCTC intends to utilize the Progressive Design Build (PDB) approach to design and construct the Project in Segments as funding becomes available. The first Project Segment to be constructed and opened to traffic is referred to as the Initial Operating Segment and is expected to be the northerly most toll segment, with the southerly limits at approximately the Indian Truck Trail interchange.

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WHEREAS, the Parties acknowledge that RCTC has or shall fully comply with the California Environmental Quality Act (CEQA) and all other applicable laws, as a precondition to construction of the Project.

WHEREAS, it is the intent of the Parties to enter into this MOU to establish and coordinate the responsibilities of the Parties with respect to the Project, establish certain opportunities for cooperation and coordination and set forth various responsibilities of the Parties all as further set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually understood and agreed by RCTC and the City as follows:

TERMS

1. Definitions. In addition to the definitions set forth in the recitals above, the following terms shall have the meanings as set forth below.

1.1 As used in this MOU, The term "PDB Phase 1" shall refer to the period of time in which RCTC and the design builder are developing preliminary design and mutually negotiating the cost for the final design and construction. PDB Phase 1 may cover the entire Project or segments therein.

1.2 As used in this MOU, The term "PDB Phase 2" shall refer to the period in which RCTC and the design-builder are developing final design and constructing the project. PDB Phase 2 may cover the entire Project or segments therein.

1.3 As used in this MOU, the term "City's Jurisdiction" shall mean and refer to the areas within the Project limits either owned and/or maintained by the City. As used herein, the term "City's Jurisdiction" expressly excludes the State highway and Riverside County owned right of way.

1.4 As used in this MOU, the term "City Standards" shall mean and refer to the City's standard plans, specifications, policies, guidelines, and ordinances, design criteria, construction details, and testing/inspection requirements, and amendments and supplements thereto, for work within the City's Jurisdiction, approved by the City and in effect six months prior to execution of any PDB Phase 2 contract between RCTC and the design-builder.

2. Term. This MOU shall be effective as of the date first set forth above, and shall continue in effect until the Project is completed and accepted by RCTC, as will be further defined in the RCTC and design-builder PDB Phase 2 contract, unless otherwise terminated as specified in this MOU ("Term").

3. Agreement to Cooperate. The Parties agree to mutually cooperate in order to help ensure that the Project is successfully completed with minimum impact to both Parties, and the City commits to support the Project. The Parties will coordinate any

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concurrent construction projects occurring during the PDB Phase 2 period to minimize impacts to both parties.

4. Additional Improvements Requested by City. If the City requests additional improvements to City owned facilities within the Project limits, the Parties will mutually cooperate to incorporate the improvements to the extent reasonable without doing harm to the Project. The City will be responsible for environmental approvals and paying for all the costs of any City requested betterment. RCTC has the sole discretion of approving the addition of any City requested improvements into the Project.

5. Obligations of the City. If consistent with all applicable local, state and federal laws and regulations, the City agrees as follows:

5.1 The City shall timely review design plans for Project work, if any, to be completed within the City's Jurisdiction, and provide any approvals or comments within thirty (30) days of receipt of the plans. If the City fails to provide any comments or its approval within said time period, the design plans shall be deemed approved by the City. The City shall inspect the Project work completed within the City's Jurisdiction upon written notice of completion of the work by RCTC to the City, and shall provide approval or identify any punch list work within fifteen (15) days.

5.2 The City shall timely process the required encroachment permits to cover the RCTC design-builders work on the Project within the City right of way. Encroachment permits shall be processed in no more than five (5) working days after receipt of a complete encroachment permit application from the design-builder. The City shall not issue any encroachment permits to any other contractors if the proposed work thereunder has the potential to delay or impact the Project, without first coordinating the same with the design-builder and RCTC.

5.3 The City shall have appropriate representatives regularly attend meetings of the design-builder's task forces formed for public information, traffic management and detours, and related construction work impacting the City, and shall provide input at such meetings related to Project work that may impact City residents.

5.4 The City shall waive all charges and fees related to plan review and inspections for the Project.

5.5 The City shall waive any street trenching restrictions/moratoriums currently in place within the City limits with respect to the Project work and shall waive any other local requirements that prohibit or interfere with construction of the Project.

5.6 Following completion of the Project work within the City's Jurisdiction and prior to final acceptance thereof, the City shall timely review and provide approval of the work or identify any punch list work within fifteen (15) days from the written request for the final inspection. The City shall assume responsibility for the Project facilities completed within the City's Jurisdiction upon final acceptance of the work by RCTC and shall be solely

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responsible and liable for the operation, maintenance and use of, including all subsequent public use of such Project facilities, at no cost or expense to RCTC.

5.7 The City will make its best efforts to perform all obligations of the City related to the Project in such a manner as to allow the Project to progress as scheduled.

6. Obligations of RCTC.

6.1 RCTC shall be responsible for providing all services to complete the Project, or as reasonably necessary for Project completion and for obtaining all applicable environmental approvals and permits necessary to complete the Project, other than that mutually agreed upon additional improvements under Section 4..

6.2 RCTC shall be responsible for providing all funding for the Project, other than that mutually agreed upon additional improvements under Section 4.

6.3 RCTC shall be responsible for the process of selecting the design-builder in compliance with all applicable local, state and federal laws and allow a representative for the City to participate in the selection process.

6.4 RCTC shall construct any Project work within the City's Jurisdiction, including work under Section 4, to the City Standards that will be defined in the contract between RCTC and its design-builder.

6.5 RCTC shall provide the City an opportunity to inspect the Project work within City's Jurisdiction during construction at City cost.

6.6 RCTC shall require its design-builder to obtain all required permits and approvals from the City for construction of any Project work within the City's Jurisdiction.

6.7 RCTC shall include, in its contract with the design-builder, a requirement that the design-builder include the City as an additional insured and as an indemnified party under said agreement.

6.8 RCTC shall include, in its contract with the design-builder, a requirement that the design-builder repair any damage caused by its operations to Lake Street between the on and off ramp termini with Lake Street.

6.9 Except in the case of an unforeseen circumstance, RCTC shall require its design-builder to provide at least a fifteen (15) day notification to City prior to any full or partial closure of any streets within City's Jurisdiction exceeding one (1) day in duration. Short term closures less than one (1) day in duration shall require forty eight (48) hours prior notice.

6.10 RCTC will institute a public outreach campaign to keep emergency responders, School District transportation department, transit operators, the residents of the City and the general public apprised of the Project work, and any street closures and

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other impacts to use of City right of way that may result from the Project. In addition, RCTC shall develop and maintain a written Emergency Response plan that includes emergency contact information for RCTC's design-builder, County of Riverside, City of Lake Elsinore emergency responders and design-builder personnel that would be expected to respond to an emergency situation.

7. Mutual Agreement

7.1 The Parties agree that PDB nature of the project results in the project being designed and constructed in segments, or its entirety, as funding becomes available.

7.2 The Parties agree that the express lane access locations as depicted in the draft environmental document publicly circulated on October 9, 2024 are preliminary and subject to change during preliminary and final design. Final express lane access locations are at the sole discretion of RCTC in accordance with applicable design standards.

7.3 The Parties agree that currently there are no known additional improvements or reconstruction of any City owned facilities within City's Jurisdiction.

7.4 Other than reviews related to final inspection and City Acceptance of the Project facilities within the City's Jurisdiction, the Parties agree that RCTC shall be the party responsible for conducting reviews of the Contractor's designs and plans, and for performance of any required field inspections to document that the work performed conforms to City Standards. RCTC shall provide the City copies of all design plans for improvements within City's Jurisdiction, for review and comment during development by the Contractor of the final design for the Project. Approval of the Contractor's designs and plans shall remain within the sole discretion of RCTC.

8. Indemnification.

8.1 RCTC shall indemnify, defend and hold the City, its directors, officials, officers, employees, agents, consultants and design-builders free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any negligent acts, omissions or breach of law, or willful misconduct of RCTC, its officials, officers, employees, agents, consultants or design-builders in the performance of RCTC's obligations under this MOU, including the payment of all reasonable attorneys' fees.

8.2 The City shall indemnify, defend and hold RCTC, its directors, officials, officers, employees, agents, consultants and design-builders free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any negligent acts, omissions or breach of law, or willful misconduct of the City, its officials, officers, employees, agents, consultants or

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design-builders in the performance of the City's obligations under this MOU, including the payment of all reasonable attorneys' fees.

8.3 The indemnification provisions set forth in this Section 8 shall survive any expiration or termination of this MOU.

9. Delivery of Notices. All notices permitted or required under this MOU shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

CITY:

City of Lake Elsinore
130 South Main Street
Lake Elsinore, CA 92530
Attn: City Manager

COMMISSION:

Riverside County Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92501
Attn: Executive Director

Such notice shall be deemed made when personally delivered, electronically delivered to the persons identified above provided that receipt of such electronic delivery is confirmed to the sending Party by the receiving Party, or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

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10. Counterparts. This MOU may be signed in counterparts, each of which shall constitute an original.

11. Electronically Transmitted Signatures; Electronic Signatures. A manually signed copy of this MOU which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this MOU for all purposes. This MOU may be signed using an electronic signature.

[Signatures on following page]

SIGNATURE PAGE
TO
MEMORANDUM OF UNDERSTANDING

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding on the date first herein above written.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

By:_____
Aaron Hake, Executive Director

Approved as to Form:

By: _____
Best Best & Krieger LLP
General Counsel

CITY OF LAKE ELSINORE

Approved by the
City Council

By: _____
Brian Tisdale
Mayor

ATTEST:

By: _____
Candice Alvarez
City Clerk (SEAL)

Approved as to Form:
City Attorney

By: _____
Barbara Leibold, City Attorney

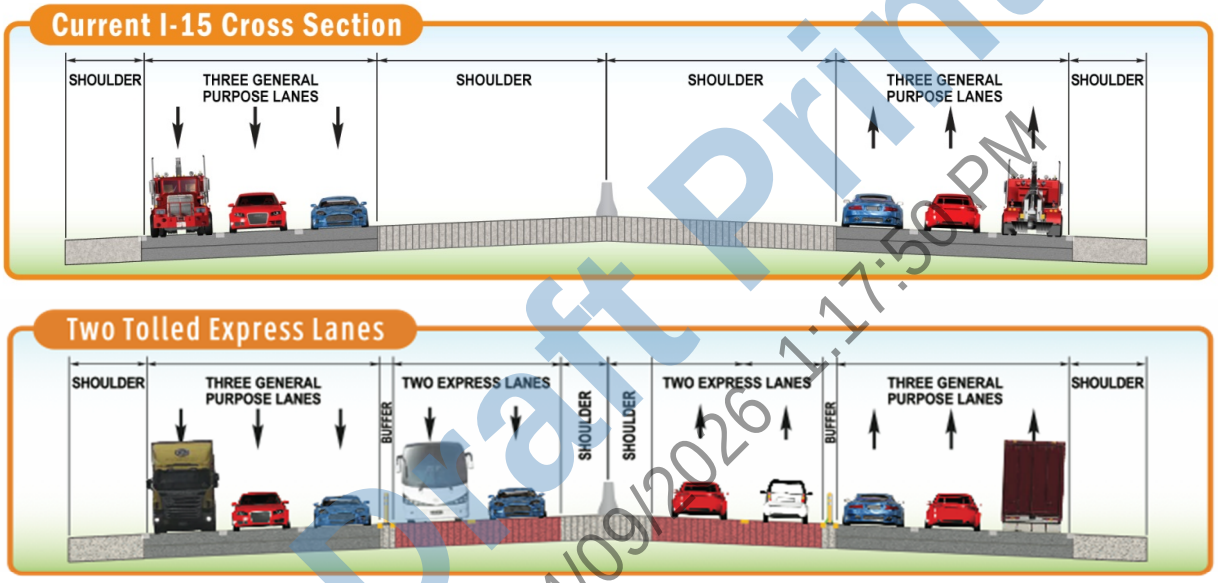
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EXHIBIT "A"

As depicted in Figure 1, the proposed Project will construct two new tolled express lanes in each direction in the median of Interstate 15, extending to the south the existing I-15 Express Lanes that opened in 2021, from approximately Cajalco Road in Corona to approximately State Route 74 in the City of Lake Elsinore, approximately 15.8 miles. The Work will take place in the Cities of Corona, Lake Elsinore and the County of Riverside.

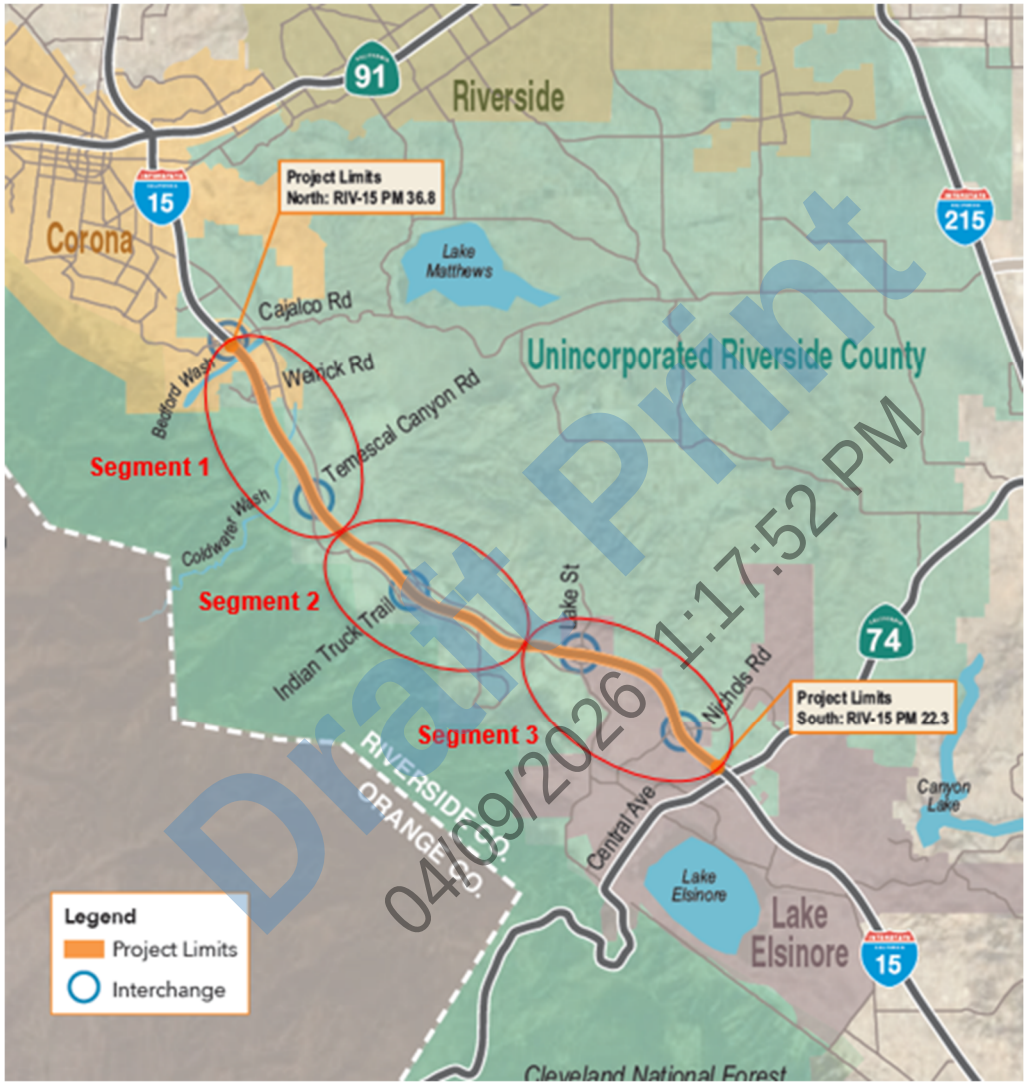
The Express Lane toll zones, also referred to as segments, are depicted in Figure 2. The first construction segment, referred to as the Initial Operating Segment, is expected to be Segment 1.

Figure 1



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Figure 2


91
Riverside
15
Corona
Project Limits
North: RIV-15 PM 36.8
215
Lake
Matthews
Cajalco Rd
Unincorporated Riverside County
Bedford Wash
Weirick Rd
Temescal Canyon Rd
Segment 1
Coldwater Wash
Segment 2
Indian Truck Trail
Lake St
74
Nichols Rd
Project Limits
South: RIV-15 PM 22.3
Segment 3
RIVERSIDE CO.
ORANGE CO.
Canyon
Lake
Central Ave
Lake
Elsinore
Lake
Elsinore
15
Cleveland National Forest
Legend
Project Limits
Interchange
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EXPRESSLANES TOLL FACILITY AGREEMENT

INTERSTATE 15 EXPRESS LANES PROJECT SOUTHERN EXTENSION IN RIVERSIDE COUNTY

1. **Parties and Date.**

This EXPRESSLANE TOLL FACILITY AGREEMENT ("Agreement") entered into effective on _____, 202_, is between the STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred to herein as "Caltrans," and the RIVERSIDE COUNTY TRANSPORTATION COMMISSION, referred to herein as "RCTC." Caltrans and RCTC are sometimes referred to herein, individually, as "Party" and, collectively, as the "Parties."

2. **Recitals.**

2.1 WHEREAS, RCTC is a county transportation commission responsible for planning and implementing transportation improvements within and adjacent to Riverside County.

2.2 WHEREAS, Caltrans is the State agency vested with the ownership of, and which is responsible for the planning, design, construction, maintenance, and operation of the California State Highway System.

2.3 WHEREAS, pursuant to its rights granted under Section 149.8 of the Streets and Highways Code, RCTC, desires to develop, and operate, toll facility on Interstate 15 (I-15) in order to improve traffic conditions within and adjacent to Riverside County, referred to herein as "Expresslane" aka "Toll Facility" as shown in Exhibit A attached to and made a part of this Agreement. which Toll Facility will extend RCTC's existing toll facilities on I-15 .

2.4 WHEREAS, Caltrans is the owner of the State Highway System including the right-of-way over and on which the Expresslane will be constructed. Concurrent with the commencement of the term of this Agreement, Caltrans grants the right to use and possess the surface of the identified portions of the State Highway right-of-way for the operation and maintenance of the Toll Facility as set forth below.

2.5 WHEREAS, the Parties agree that it is in their mutual best interest to mitigate any potential impacts from future construction or maintenance activities near or adjacent to the Toll Facility and reaffirm their commitment to collaboration and coordination, including but not limited to; regular coordination meetings to address capital improvement plans, schedules, and coordination issues.

2.6 WHEREAS, the Parties have, prior to or concurrent with this Agreement, negotiated and entered into the Progressive Design-Build Cooperative Agreement for the construction of the Project.

2.7 WHEREAS, the purpose of this Agreement is to set forth the roles and responsibilities of Caltrans and RCTC as relates to the potential use, maintenance, reconstruction, operation, and condition on return to Caltrans of the Expresslanes/ Toll Facility.

2.8 WHEREAS, the Parties acknowledge that full compliance with the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA) and other laws are a precondition to any approval or construction of the Project.

2.9 WHEREAS, the Parties acknowledge and agree that nothing in this Agreement commits RCTC to approving or constructing the Toll Facility, or any portion thereof.

2.10 WHEREAS, the Parties expressly agree that this Agreement does not in fact operate to approve any project or its construction and that RCTC retains the ability to select the "no build" alternative from those alternatives being analyzed through the CEQA and NEPA environmental review process.

2.11 WHEREAS, Expresslanes/Toll Facility utilizes dynamic value pricing and a toll collection system that consists of an Automatic Vehicle Identification System, Variable Toll Message Sign (VTMS) system, and computer systems that process and post transactions to customer accounts.

2.12 WHEREAS under this Agreement, Parties intend to define the terms and conditions under which the Expresslane is to be operated, maintained, and tolling program implemented by RCTC.

2.13 WHEREAS, under this Agreement, the Parties intend to define the terms and conditions under which Caltrans shall perform and RCTC shall reimburse from toll revenues the costs associated with the Roadway Maintenance.

2.14 WHEREAS, under this Agreement RCTC's expenditure budget (Expenditure Plan) shall fund, including but not limited to, the cost of administration of the Expresslane, cost of repair, and maintenance of the Expresslane, project debt repayment and various project expenses implemented by Caltrans, RCTC, and other local agencies within the Expresslane corridor as provided in Section 149.8 of the Streets and Highways Code.

2.15 WHEREAS, the purpose of this Agreement is to set forth the roles and responsibilities of Caltrans and RCTC as they relate to the potential use, maintenance, reconstruction, operation and condition on return to Caltrans of the Toll Facility.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually understood and agreed by RCTC and Caltrans as follows:

3. **Definitions.**

3.1 **Caltrans Parties** shall mean all or any of Caltrans, the designated Caltrans representative, and any officials, agents, and employees of Caltrans.

3.2 **CHP** shall refer to the California Highway Patrol or any successor agency charged with law enforcement on the State Highway System.

3.3 **Claim** (or **Claims**) shall mean any costs, claims, damages, demands, losses, expenses, suits, or actions brought or liability imposed by law on account of death, personal injury, or damage to real or personal property.

3.4 **CMS** shall mean a changeable message sign.

3.5 **Critical Safety Standard** shall mean (i) a standard adopted and published by the Federal Highway Administration (FHWA) or Caltrans; (ii) applied to all similarly situated existing State transportation facilities; and (iii) necessary to correct an anticipated or actual imminent and substantial endangerment to life or safety.

3.6 **Days** shall be defined as calendar days.

3.7 **Dynamic Value Pricing** is a concept by which variable tolls (higher prices under more congested conditions and lower prices at less congested times and locations) intended to maintain traffic volumes in the Expresslane at optimal levels. Tolls can vary based on changing traffic conditions**.**

3.8 **Effective Date** refers to the date first set forth in Section 1 above.

3.9 **ETC** shall refer to electronic toll collection.

3.10 **ETC Data** shall mean all data generated by or accumulated in connection with the operation of the ETC System, including but not limited to traffic volumes, occupancy data and violation data.

3.11 **ETC System -** shall refer to RCTC's owned and operated toll collection system that employs dynamic value pricing, consisting of an Automatic Vehicle Identification System, Variable Toll Message Sign System, and computer systems that process and post transactions to customer payment accounts. All these systems, signs, gantries, equipment and utility connections, including the Violation Enforcement System, software and hardware required to operate the value pricing system and pursue violators and buildings housing toll collection system equipment for the Toll Facility.

3.12 **Excess Toll Revenue** shall refer to Toll Revenues beyond the expenditure needs for the Toll Facility for the purposes of (i) capital outlay, including, but not limited to, the costs of design, construction, right-of-way acquisition, and utility adjustment; (ii) operations and maintenance, including, but not limited to, toll collection and enforcement;

(iii) repair, and rehabilitation; (iv) indebtedness incurred, including related financing costs; (v) reserves; and (vi) administration, which shall not exceed 3 percent of toll and associated facility revenues.

3.13 **Expenditure plan** shall refer to the plan to be developed by RCTC, in consultation with Caltrans and approved by RCTC, for transportation improvements for the Toll Facility and its corridor. This plan shall include the projected amount of Excess Toll Revenue available, a proposed completion schedule, estimated project/service/program costs, and delivery schedules..

3.14 **Expresslane - See Toll Facility**

3.15 **FHWA** refers to the Federal Highway Administration or to any delegate or successor, as the case may be.

3.16 **General-Purpose (GP) Lanes** shall refer to the main, unrestricted lanes on a highway or freeway, open to all motor vehicles without tolls or specific passenger occupancy requirements, including but not limited to, freeway lanes, ramps, shoulders owned and operated by Caltrans.

3.17 **High-Occupancy Vehicle (HOV)** shall be defined as provided for in California Vehicle Code Section 21655.5 or any subsequent amendment.

3.18 **I-15 Express Lanes Project Southern Extension**. The term "I-15 Express Lanes Project Southern Extension" shall be defined as the Toll Facility/Expresslane being constructed in Riverside County which is the subject of this Agreement.

3.19 **Index** shall be defined as the Consumer Price Index, All Items for Urban Wage Earners and Clerical Workers in the Los Angeles-Riverside-Riverside County, California Area, 1982-84=100, published by the United States Department of Labor, Bureau of Labor Statistics.

3.20 **Maintenance Agreement.** An agreement between Parties which provides details on the funding and distribution of effort for Roadway Maintenance, including the Service Plan and associated Estimated Annual Maintenance Cost and workplan for Roadway Maintenance entered into between the Parties to perform required maintenance of the Expresslane as further described in this Agreement.

3.21 **Maintenance Standards** shall be defined as the published Caltrans maintenance schedules and standards, the Caltrans Maintenance Manual, or any applicable Caltrans guidance of statewide application, which is in effect at that time, to the same extent and manner that Caltrans is applying the same manual or guidance to the maintenance of its own existing facilities of substantially equivalent size, location, and character, including the General-Purpose Lanes.

3.22 **Major Modifications** shall be defined as material changes, alterations, modifications, improvements, or additions to the Toll Facility and is not a Minor Modification.

3.23 **Minor Modifications** shall be defined as any change to the Toll Facility that does not materially affect the safety, structural capacity, traffic operations, or load-carrying elements of the facility. Such modifications are limited to the installation, removal or adjustment of sign panels, traffic control devices, ETC Systems, utilities, fencing, lighting, and landscaping. The in-kind replacement of any such items shall not constitute a Minor Modification.

3.24 **Progressive Design-Build Cooperative Agreement (Cooperative Agreement)** refers to that certain separate agreement entered into between RCTC and Caltrans relating to the Parties' respective obligations for the potential design and construction of the I-15 Express Lanes Southern Extension.

3.25 **Project** shall be defined as the proposed construction of the Toll Facility, and any additional non-toll improvements constructed by RCTC concurrently with construction of the Toll Facility.

3.26 **RCTC Parties** shall mean all or any of RCTC, the designated RCTC Representative, and any officials, agents, and employees of RCTC.

3.27 **Roadway Maintenance** shall mean regular and recurrent roadway maintenance services of the Toll Facility, in accordance with the Caltrans Maintenance Manual in effect at the time of the maintenance activity. Roadway Maintenance does not include maintenance of ETC System.

3.28 **State** shall mean the State of California.

3.29 **Toll Facility** shall be defined as the pavement, including the buffer and inside shoulders, comprising the I-15 Express Lanes Southern Extension proposed to be completed in Riverside County, once completed and placed into operation, assuming said facility is built, as generally depicted on Exhibit "A". Toll Facility shall also include the pavement striping and markers, median barriers, dedicated or widened portion of bridge structures, lighting, toll roadside signs and toll overhead sign panels, sign structures, toll gantries, toll utility buildings and other tolling equipment, channelizers and other traffic control devices, video surveillance and enforcement equipment, and similar equipment necessary for exclusive, safe, and efficient operations for I-15 Express Lanes Southern Extension. This definition does not include non-tolled portions of any of the contemplated improvements.

3.30 **Toll Facility Appurtenances** shall mean ancillary ETC System equipment whether within or outside the State Highway Right-of-Way, but outside of the footprint of the Toll Facility pavement and typically located on the outside of the General Purpose Lanes, generally described as tolling equipment cabinets, sensors, and related minor civil infrastructure to support operation of such appurtenances.

3.31 **Third-Party Claim** shall mean a Claim asserted by a person or entity against Caltrans or RCTC other than a Caltrans Party or an RCTC Party.

3.32 **Traffic Incident Management Plan (TIMP)** shall mean the current working plan as prepared by RCTC, and approved by the Parties, and CHP , to define the coordinated, preplanned use of technology, processes, and procedures to reduce the duration and impact of incidents, and to improve the safety of motorists, crash victims, and incident responders involving the Toll Facility.

3.33 **Toll Revenue** shall mean all toll revenues, user fees, rents, fees, charges, fines, or other similar charges payable for the use of the Toll Facility or other income derived by or allocated to RCTC, directly or indirectly, from or related to vehicular usage of the Toll Facility, including but not limited to fees paid for the vehicular usage of the facilities, fines and penalties collected by RCTC with respect to usage of the Toll Facility, and fees for the use of transponders or other devices for the electronic payment of tolls.

4. **Use of Caltrans' Right-of-Way.**

4.1 This Agreement implements the exclusive authority granted to RCTC under Streets and Highways Code Section 149.8 to develop and operate tolled express lanes on I-15 in Riverside County. Caltrans hereby grants to RCTC the right to use and possess the surface of the Caltrans' right-of-way for the operation and maintenance of the Toll Facility, including but not limited to the right to use, possess and occupy the Toll Facility. This grant shall commence as of the first day on which the first segment of the Toll Facility as defined in Exhibit A is open for public use and toll operations, as provided in this Agreement, and shall continue in effect to the later of (i) fifty (50) years from such date; or (ii) fifty (50) years from the opening of any additional toll segment of the Toll Facility. In no case shall the grant term exceed sixty (60) years from the opening of the first segment of the Toll Facility. This grant shall be irrevocable until the expiration of the term of this Agreement or the expiration of RCTC's authority under the law, to use, operate, and maintain the Toll Facility. The Caltrans right-of-way subject to this grant is preliminarily described in Exhibit "A".

The Parties recognize that the rights conveyed by this Agreement, including that the Toll Facility may be over, under, or on existing State ROW that crosses several local jurisdictions and that is improved with, among other things, an existing State Highway and other improvements such as local roads and utilities. While RCTC is granted exclusive use and possession of the surface of the Caltrans ROW for the purposes described in this Section 4.1, and is understood that this Agreement is subject to all existing rights conveyed to others, including local entities and utilities, and Caltrans is not obligated to clear, remove, relocate, or otherwise extinguish the rights of third parties as a condition of this Agreement. Further, the grant of exclusive use and possession of the Caltrans ROW as described in this Section 4.1 is not intended to, and shall not, prevent Caltrans from entering the Toll Facility to perform its own surveillance, monitoring, inspections, and similar activities, provided that the same do not materially interfere with operation of the Toll Facility or the imposition or collection of tolls. Similarly, this Agreement does not preclude Caltrans from issuing new encroachment permits to third parties nor does it preclude Caltrans from amending or extending the term of existing encroachment permits; provided that RCTC is first provided notice of any new encroachment permits proposed or amendments to existing encroachment permits and afforded an opportunity to review and comment on the issuance/amendment of such permits, and provided further that such permits do not materially interfere with the operation of the Toll Facility or the imposition or collection of tolls. Moreover, this Agreement does not preclude Caltrans from requesting that existing utilities be relocated or preclude Caltrans from causing utilities to be relocated, provided that RCTC is first provided notice and an opportunity to review and comment on such relocation, and provided further that such relocation does not materially interfere with the operation of the Toll Facility or the imposition or collection of tolls. The Parties recognize that the ultimate authority to approve or deny any encroachment permit and/or utility rests with Caltrans.

4.2 RCTC agrees and acknowledges that the integrated elements of the State Highway System, as noted above, are also an integral element of the national federal aid highway

system whose continued and efficient operation strongly implies the public's interest in travelling safety and the inter-regional transportation of goods and services.

4.3. This Agreement does not preclude Caltrans from requesting that Toll Facility Appurtenances be relocated or preclude Caltrans from causing Toll Facility Appurtenances to be relocated, provided that RCTC is first provided notice and an opportunity to review and approve such relocation. RCTC will not unreasonably withhold its approval. Caltrans shall fully endeavor to reduce the impact to RCTC's use and operation of the Toll Facility while requesting or causing such relocation and at no time shall the ETC System be non-operational without RCTC approval.

4.4. This Agreement is specifically subject to the terms and provisions of Division 1, Chapter 3 of the Streets and Highways Code (Streets and Highways Code Section 660 et seq.) and any subsequent amendment thereto, as may be applicable

5. Operations.

5.1 Operation of Toll Facility.

(a) The Parties have collaborated and agreed upon on various goals and policies associated with the operation of Toll Facility. Notwithstanding any other provisions of this Agreement, the Parties agree as follows.

(b) RCTC agrees to designate Caltrans to provide traffic operations functions as outlined in the TIMP including TIMP coordination meetings. RCTC shall reimburse Caltrans for all its actual costs related to TIMP.

(c) RCTC shall be responsible for the operation of the Toll Facility including, but not limited to, performing, or causing to be performed, the administrative, toll collection, and traffic management activities associated with the operation of the Toll Facility for use by the general public. Because operations of the Toll Facility and the General-Purpose Lanes can impact each other, the Parties shall mutually review corridor mobility and operations a minimum of eighteen (18) months after the opening of the Toll Facility, again thirty-six (36) months after the opening of the Toll Facility and every three (3) years thereafter.

(d) RCTC agrees to operate and maintain the ETC System which includes the implementation of a toll collection system, and to administer a Dynamic Value Pricing program for Expresslane at no cost to Caltrans, including:

1. Operating and maintaining any devices installed by RCTC or its authorized agent(s), exclusively needed for the ETC System;

2. Establishing Dynamic Value Pricing program business rules and account policies, including setting the amount of the tolls; and

3. Collecting tolls from customers in accordance with the business rules and account policies.

(e) RCTC shall be responsible for operation and management of the Toll Facility and towing in response to incidents located within the Toll Facility and shall develop a Traffic Incident Management Plan to address traffic issues and responses within the Toll Facility. Motorists shall be notified of any closures of the Toll Facility through RCTC-owned CMS or similar means. The Caltrans Traffic Management Center located in San Bernardino County (District 8) shall be notified of closures of the Toll Facility in accordance with a mutually agreed upon incident management plan so that Caltrans can broadcast such closure through its Traveler Information System and Intelligent Transportation System (ITS) field elements.

(f) The Parties agree that RCTC is authorized to establish and implement additional safety policies, as RCTC deems necessary, for the Toll Facility in addition to those required by law and this Agreement. Such additional safety policies shall be consistent with applicable law. Oversize, overweight, and overlength restrictions shall be set by RCTC for the Toll Facility, and shall be included in the Traffic Incident Management Plan . Oversize, overweight and/or overlength permits shall not be issued by the Parties for vehicles using the Toll Facility.

(g) Operations of the Toll Facility may be interrupted as RCTC may deem necessary or advisable for reasons of, among other things, construction, repair, maintenance, improvement, modification, security, emergency, and public safety. RCTC shall notify Caltrans five (5) days in advance of any planned closure of the Toll Facility. Notification of planned closures shall be made to the Caltrans Traffic Management Center located in San Bernardino County (District 8).

(h) In the case of any major incidents on or blockages of the Toll Facility caused by accidents or debris, RCTC shall, consistent with available resources and constraints, promptly take reasonable action to assist CHP in performing its duties, consistent with the policies and practices of RCTC and the CHP, and RCTC shall be responsible for its own costs related thereto.

(i) RCTC will provide direct, video feeds from the Express Lanes closed circuit television (CCTV) system to the Caltrans Traffic Management Center using the existing Caltrans I-15 communication network. RCTC will be responsible for maintaining the CCTV system and the feed to the Caltrans I-15 communication network. Caltrans will be responsible for the use of the feed from the point of delivery into the Caltrans communication networks.

(j) As part of its traffic management activities, RCTC shall share operational data including, but not limited to, traffic volumes, occupancy data including

average vehicle occupancy, video surveillance feeds, and changeable message board data for use in statewide reports and engineering studies.

(k) As part of the Toll Facility construction, RCTC will extend Caltrans' existing General-Purpose Lane vehicle detection system into the Toll Facility for Caltrans' sole use. At the completion of the Project, RCTC will have verified all loop systems are in the same working order as at the start of the project, and Caltrans will accept the ongoing operations and maintenance of the loop detection system, including the loops extended into the Toll Facility.

(l) For the Term of this Agreement, Caltrans will allow RCTC to occupy a spare conduit in the Caltrans' communication backbone for the Toll Facility backup communication network

5.2 Operation of General-Purpose Lanes .

(a) Caltrans shall be responsible for the operation and maintenance of the General-Purpose Lanes.

(b) In the case of any major incidents on or blockages of the General-Purpose Lanes caused by accidents or debris, Caltrans shall, consistent with available resources and constraints, promptly take reasonable action to assist CHP in performing its duties, consistent with the policies and practices of Caltrans and CHP, and Caltrans shall be responsible for its own costs related thereto.

(c) RCTC may enter onto the General-Purpose Lanes without an encroachment permit to remove debris or to perform other activities related to the clean-up of an incident which is not confined to the Toll Facility, provided RCTC shall conduct any such activities on the General-Purpose Lanes consistent with applicable Caltrans standards, including, but not limited to, the policies or standards relating to lane closures. Notification to Caltrans shall be as outlined in the TIMP.

(d) Caltrans shall provide RCTC with ten (10) days prior written notification of any proposed major maintenance, improvement or other modifications to the General-Purpose Lanes, including lane closures, and shall coordinate the same with RCTC in order to minimize any disruptions to operation of the Toll Facility and to minimize potential impacts of such activities on the Toll Facility.

(e) Parties shall provide each other with annual and quarterly maintenance and capital improvement plans and schedules for any work to be performed on the State Highway System in the vicinity of the Toll Facility. Parties maintenance and operations staff shall meet at such frequency as determined necessary by the Parties, but no less than quarterly, to discuss maintenance and capital improvement plans, and coordination issues.

6. **Tolls.**

(a) RCTC shall have authority to impose and collect tolls, fees, and charges for use of the Toll Facility and entrance onto the Expresslane pursuant to applicable State and federal law. Caltrans shall have no direct right, title, and interest in and to the toll revenues.

(b) RCTC shall have authority to establish and adjust toll pricing in accordance with SHC 149.8 and to collect tolls using ETC or other technology chosen by RCTC, provided that any such actions shall be in compliance with applicable State and federal laws and standards.

(c) All toll equipment utilized for the Toll Facility shall be compatible with Title 21 of the California Code of Regulations or future equivalent standard.

(d) RCTC Toll Facility Policies. RCTC shall have the sole right to establish policies and rules governing use of the Toll Facility, including toll systems, pricing system, toll collection methodology, account and violation fees, discounts and exemptions, vehicle occupancy rules, vehicle classifications, tolling policies, business rules, toll rates, and evasion/enforcement policies, provided that any such policies and rules shall be in compliance with State and federal laws.

7. **Safety Investigations and Safety Related Improvements.**

(a) Caltrans may, at its sole cost, perform safety investigations and analysis relating to the Toll Facility. Caltrans and RCTC shall cooperatively review the recommendations of the investigations, if any, and jointly determine corrective action necessary, if any, to remedy any identified deficiency or any potential enhancement. RCTC shall fund and implement the jointly identified corrective action or enhancement to the Toll Facility as provided below subsection (d) below.

(b) After consultation with RCTC, including the collaboration described in paragraph (c) below, Caltrans may, if the identified safety issue is consistent with the most recent version of the California Highway Safety Improvement Program (HSIP) Guidelines, or any successor guidance published by Caltrans and adopted pursuant to 23 U.S.C. Section 152, issue an order to make a modification to the Toll Facility for safety reasons (a "Safety Improvement Order" or "SIO").

(c) Caltrans will assist RCTC on the scope, design, and schedule for implementation of Safety Improvement Order or SIO. Caltrans shall take into consideration all relevant factors including, but not limited to, the extent of the risk which the modification purports to address, and all concerns of RCTC as the Party responsible for the Toll Facility during the term of this Agreement. RCTC shall take into consideration all relevant factors including, but not limited to, the extent of the risk which the

modification purports to address, and all concerns of Caltrans as the Party generally responsible for the safety of the State Highway System.

(d) Caltrans may, but is not obligated to, participate in the cost of the SIO. If Caltrans agrees to participate in the cost of implementing the SIO, the cost for the modifications shall be negotiated and allocated between Caltrans and RCTC, and the allocation shall be documented in the SIO.

(e) The modifications agreed upon shall be implemented by RCTC in accordance with (i) Caltrans' normal timeframes for safety enhancements of similar scope; or (ii) the SIO. If RCTC is unable or unwilling to implement an SIO, Caltrans may unilaterally implement such SIO, and such right shall not be subject to enjoinder per Section 18.6 of this Agreement. Unless otherwise determined pursuant to Section 17.6, RCTC shall reimburse Caltrans for its actual and reasonable costs associated with the implementation of such SIO, as determined pursuant to paragraph (d) above. Caltrans shall assume all costs and liability for any SIO unilaterally implemented by Caltrans, unless the dispute resolution process set forth in Section 18.6 ultimately results in the determination that the SIO was warranted or appropriate, in which case the costs shall be determined in accordance with paragraph (d) above and the SIO will be considered part of the Toll Facility.

8. **Changes in Standards.**

(a) Caltrans, after coordination and consultation with RCTC, may issue an order for RCTC to make a modification to the Toll Facility based on adoption of new standards by FHWA or Caltrans ("Standards Modification Order"), provided that any required modification is to the same extent being imposed by Caltrans on existing State-operated, leased, or funded transportation facilities of substantially equivalent size, location, and character.

The timing, scope, design, and schedule for implementation of modifications to the Toll Facility under a Standards Modification Order will be proposed by Caltrans and will be subject to RCTC's' reasonable comment and approval. The modifications agreed upon shall be paid for by RCTC and implemented in consideration of (i) the time in which Caltrans' applies such improvements to existing facilities it owns and operates or permits of a substantially equivalent size, location, and character; (ii) the time period for implementation set forth in the revised standard, if any; and (iii) the timing for implementation of a pending or scheduled Major Modification, repair, or rehabilitation affecting the affected area or structure that is not part of the Standards Modification Order, where implementation of such Standards Modification Order would reasonably be included within the scope of work of the modification.

(b) Caltrans shall consider any request by RCTC for alteration or deferral of a Standards Modification Order, taking into consideration the anticipated availability of RCTC funds, the remaining term of this Agreement in light of RCTC's obligations to its bond-holders and other lenders, the schedule for upcoming repair and rehabilitation of the Toll Facility, the extent of inconvenience and delay necessitated by the modification and the extent of the risk or public benefit which the modification purports to address.

(c) In the case of a Standards Modification Order to address a Critical Safety Standard, after the aforementioned coordination and consultation has occurred, if RCTC fails to implement a mutually approved Standards Modification Order by the deadline contained in the Standards Modification Order, Caltrans reserves the right and authority, but not the obligation, to enter onto the Toll Facility, and to implement the modifications called for in such Standards Modification Order and, unless otherwise determined pursuant to Section 19.6, to invoice RCTC for the actual and reasonable cost of implementation. Caltrans shall assume all liability for such Standards Modification Order unilaterally implemented by Caltrans.

9. **Coordination Related to Installation of New Equipment.**

(a) Unless otherwise agreed upon by the Parties, any equipment installed by RCTC following the Effective Date shall not unreasonably interfere with or adversely affect the operation of any Caltrans' equipment existing at the time RCTC installs its equipment.

(b) Unless otherwise agreed upon by the Parties, any equipment installed by Caltrans shall not unreasonably interfere with or adversely affect the operation of any RCTC equipment existing at the time Caltrans installs its equipment.

10. **Adverse Effects Due to Other Facilities.**

Notwithstanding any provision of this Agreement to the contrary, Caltrans is authorized to maintain, construct, improve, and operate facilities within the I-15 corridor that compete with the Toll Facility, and in no event shall RCTC or RCTC Parties be entitled to compensation for the adverse effects on toll revenue due to those facilities, including short-term construction impacts or Toll Facility lane closures approved by RCTC.

11. **Completion of Toll Facility.**

The Toll Facility, and other non-toll improvements will be completed pursuant to the terms of the Cooperative Agreement; provided that nothing in this Agreement is intended to obligate RCTC to complete the Toll Facility.

12. **Modification of Toll Facility.**

12.1 Major Modification of Toll Facility.

(a) RCTC shall submit any proposed Major Modification within the Toll Facility to Caltrans for approval pursuant to the Caltrans' Project delivery process, and as further established in the relevant Caltrans' Project Delivery Procedures manuals in effect at the time. Caltrans shall coordinate in a timely manner with RCTC for the Major Modification project .

(b) The parties acknowledge that Major Modifications **not within** the Toll Facility may require a separate agreement pursuant to the procedures set forth in the Caltrans Project Development Procedures Manual.

(c) Major Modifications shall be completed in accordance with all applicable laws and environmental regulations, and to applicable Caltrans/FHWA standards and policies to the extent that Caltrans is applying the same standards to its own existing transportation facilities of substantially equivalent size, location, and character.

(d) Upon completion of the Major Modifications, RCTC shall, within one-hundred eighty (180) days, provide revised "as-built" plans to Caltrans which address the Major Modifications including, as applicable, all contract records, survey documents, records of surveys, and structure as-built documents according to Caltrans requirements. Should RCTC fail to provide the "as- built" plans within the timeframe specified herein, Caltrans shall provide notice of such failure to RCTC. The notice shall state that if RCTC does not submit the "as-built" plans within thirty (30) days of receipt of the notice, Caltrans may prepare the plans. If Caltrans prepares the plans, RCTC shall pay the actual costs thereof within thirty (30) days following receipt of an invoice from Caltrans.

(e) RCTC shall procure, on its own behalf or through a contract requirement with any contractor, and as a condition precedent to any modification to the Toll Facility, a policy or policies of insurance naming the Caltrans Parties as an additional insured with coverage provided to Caltrans to the same degree as provided to RCTC. Such insurance shall be primary and non-contributory with any insurance maintained by Caltrans. Such policy or policies shall be consistent with the insurance coverage requirement published by Caltrans in its Standard Specifications or Standard Special Provisions in effect at the time of commencement of construction of the Major Modifications.

12.2 Minor Modification of Toll Facility.

(a) RCTC shall have the right to erect and maintain ETC System and to install and utilize traffic control devices necessary for the safe and efficient

operation of the Toll Facility. All signs utilized by RCTC for the Toll Facility located within or adjacent to Caltrans' right of way shall comply with the California Manual on Uniform Traffic Control Devices (MUTCD) or the applicable State and federal standards operative at the time of purchase of such signs. Signs, gantries, or other tolling equipment shall not be installed in a manner which negatively impacts the General-Purpose Lanes or in a manner which would cause the General-Purpose Lanes to no longer conform to their original design or to applicable State or federal standards in effect at the time of installation. No signage identifying an entity, business or brand other than RCTC, Caltrans, tolling interoperability logos, or other logos directly related to operation of the Toll Facility or identifying the "15 Express Lanes" shall be displayed at any location where it is visible from the State Highway or otherwise in conflict with the Outdoor Advertising Act. Notwithstanding the foregoing, if mutually agreed upon by the Parties, RCTC may display signage related to other transportation opportunities including, but not limited to, signage advertising express bus or other transportation modes providing transportation for the I-15 corridor.

(b) Any installation of new ETC System necessary for the safe and efficient operation of the Toll Facility which were not included or accepted as part of the Toll Facility shall be considered "Minor Modifications" if they are installed within the Toll Facility. RCTC shall be responsible for the installation and maintenance of said Minor Modifications. To effectuate the purposes of this section, and to maintain an accurate history of all improvements placed in the State right-of-way, RCTC agrees to submitting to Caltrans a completed encroachment permit application including RCTC-approved engineering plans and obtaining Caltrans approval, priorto performing any Minor Modifications. This paragraph shall not apply to replacement of equipment accepted as part of the Toll Facility with substantially similar equipment that does not require closure of General Purpose Lanes.

12.3 Caltrans Implementation of Modifications.

If RCTC requests that Caltrans implement, on behalf of RCTC, modifications to the Toll Facility, RCTC shall reimburse Caltrans for staff time and shall pay for costs associated with such modifications. Any such work performed by Caltrans shall be pursuant to a separate agreement to be negotiated between the Parties.

13. **Maintenance of Toll Facility.**

13.1 RCTC Responsibility for Toll Facility Maintenance. RCTC shall be responsible for regular inspection and maintenance of the Toll Facility, including the ETC System, whether located within or outside the Caltrans Highway right-of-way limits.

13.2 Maintenance of structures. Unless otherwise agreed upon by the Parties, RCTC shall be responsible for regular inspection and maintenance of all components of those structures within the Toll Facility.

13.3 Maintenance of Storm Water. Unless otherwise agreed upon by the Parties, RCTC shall be responsible for stormwater maintenance activities within the Toll Facility in accordance with best management practices for stormwater.

13.4 RCTC shall coordinate its schedule to consider potential impacts of RCTC's maintenance activities on the Expresslane on the operation of the General Purpose Lanes.

13.5 RCTC shall also be responsible for the inspection, maintenance and operations of ETC System and shall also be responsible for the cost of electrical power and communications for the ETC System. In the event of third-party damage to or destruction of ETC System on the Toll Facility, RCTC shall have responsibility for repair and replacement.

13.6 Additional Integrated Maintenance Issues. The Parties shall address any additional integrated maintenance, permit, and maintenance liability issues that may arise following commencement of operations of the Toll Facility, and shall, subject to a separate written agreement or an amendment hereto, determine a cost split and shared responsibility for such integrated maintenance issues, if any.

13.7 Maintenance Plan to be Prepared and Implemented by RCTC.

(a) Prior to substantial completion of the Toll Facility, RCTC shall submit to Caltrans for its approval a maintenance plan for the Toll Facility.

(b) RCTC shall be responsible for the maintenance of the Toll Facility in accordance with the Maintenance Standards.

(c) Caltrans shall furnish the Maintenance Standards to RCTC on a timely basis. Receipt of the Maintenance Standards by RCTC shall constitute notice as to the contents therein. RCTC shall not be held responsible for implementing any changes to the Maintenance Standards unless and until actual notice thereof is given to RCTC by Caltrans.

(d) RCTC shall coordinate its schedule to consider potential impacts of RCTC's maintenance activities on the Toll Facility on the operation of the General-Purpose Lanes.

14. **Maintenance Agreement**

14.2 Execution of Maintenance Agreement If RCTC elects to utilize Caltrans to perform Roadway Maintenance per the approved Maintenance Plan, the Parties shall enter into a Maintenance Agreement pursuant to which Caltrans may provide certain inspection and maintenance services in accordance with a maintenance plan approved by Caltrans. The Maintenance Agreement shall include, without limitation:

i. The respective responsibilities and obligations of the Parties;

ii. The specific items of maintenance; and

iii. The rate of reimbursement to Caltrans for inspection and maintenance services.

14.3 Amendments- The Parties shall jointly execute an amendment to the Maintenance Agreement whenever there is a change in funding, scope of maintenance, operations, or improvements.

14.4 Funding and Cost Control -The funding amounts set forth in the Maintenance Agreement are estimates only. If such amounts are insufficient to complete Roadway Maintenance, Caltrans shall promptly notify RCTC. The Parties shall cooperate in good faith to identify and implement appropriate cost-control measures.

14.5 Reimbursement -Caltrans shall invoice RCTC on a quarterly basis for the actual costs incurred in performing Roadway Maintenance. RCTC shall reimburse Caltrans one hundred percent (100%) of such actual costs, as provided in the Maintenance Agreement and any amendments thereto.

14.6 Annual Updates- Caltrans shall submit to RCTC an updated Maintenance Agreement for Roadway Maintenance proposed for the next fiscal year no later than one hundred (100) days prior to the commencement of such fiscal year.

15. **Responsibilities If a Party Other than Caltrans is Providing Maintenance of the Toll Facility**.

(a) The scope of Caltrans' oversight responsibilities if a party other than Caltrans is providing maintenance of the Toll Facility shall be as follows:

(i) Caltrans shall be authorized to, but is not obligated to, inspect the maintenance of the Toll Facility and its related structures; provided that such inspection does not interfere with RCTC's operation or maintenance of the Toll Facility.

(ii) If upon inspection it is Caltrans' opinion that appropriate maintenance of the Toll Facility has not been performed in accordance with the applicable Maintenance Standards, Caltrans shall provide RCTC with a written notification of the specific items requiring maintenance.

(b) Upon such written notification and RCTC's agreement therewith, RCTC shall provide Caltrans with a plan to promptly initiate steps to cure maintenance deficiencies identified in the written notice.

16. **Maintenance of General-Purpose Lanes.**

16.1 Right of entry onto General-Purpose Lane for maintenance.

Caltrans hereby grants to RCTC, and its contractors, a right of entry onto the General-Purpose Lanes, as required for RCTC to conduct maintenance activities with its own or its contractors' forces, or by contract. RCTC contractors shall, prior to entry onto the General-Purpose Lanes, obtain from Caltrans an encroachment permit for such entry pursuant to Caltrans' standard practices and shall provide to Caltrans evidence of insurance reasonably sufficient for the work to be conducted by the RCTC contractor, as determined by RCTC, under which Caltrans shall be added as an additional insured.

16.2 Coordination of General-Purpose Lanes Maintenance Schedule.

The Parties shall coordinate maintenance schedules with each other in order to minimize impacts of maintenance activities on the General-Purpose Lanes or the Toll Facility. Each Party shall notify the other Party Ten (10) days in advance of any planned closure that may reasonably impact the facility operated by the other Party.

16.3 Coordination of Major Repairs, and Rehabilitation on General-Purpose Lanes.

The Parties shall cooperate and coordinate, as may be appropriate, in connection with major pavement and structures repair, modification, and rehabilitation of the General-Purpose Lanes or the Toll Facility.

17. **Reserve Funds.**

RCTC shall establish and maintain adequate reserve funds for maintenance and capital improvements of the Toll Facility, as well as to meet the Handback Requirements identified in Exhibit "C" and which may be required by law or as may be required by RCTC's financing and Transportation Infrastructure Finance and Innovation Act (TIFIA) financing for the Project. Such reserve funds shall be sufficient to adequately provide for the repair, rehabilitation, reconstruction, and the maintenance of the Toll Facility in accordance with Maintenance Standards.

18. **Expenditure Plan and Excess Toll Revenue.**

18.1 Expenditure Plan. RCTC in consultation with Caltrans shall develop, and annually update, a revenue Expenditure Plan that complies with SHC 149.8. The Expenditure Plan shall cover a period of either ten (10) years or the remaining term of any project financing used to construct or maintain any portion of the Toll Facility, whichever period is longer. After working in consultation with Caltrans on a draft Expenditure Plan, RCTC shall provide Caltrans another opportunity to review and comment on the draft Expenditure Plan, and each annual update, at least thirty (30) days prior to submitting the Expenditure Plan

to RCTC for their consideration and approval. The Expenditure Plan, and each annual update, shall be made available for public review and comment no less than thirty (30) days prior to its adoption by RCTC. The Expenditure Plan shall provide for the use of Excess Toll Revenue for any of the following purposes, to the extent permitted by state or federal law:

(a) Projects that maintain or improve the safety, operation, or travel reliability of any transportation mode in the I-15 corridor, or to provide or improve travel options.

(b) Capital improvements and operational improvements shall be eligible expenses and may be included in the Expenditure Plan, or any annual update.

(c) Capital improvements, or investments to enhance public transit service as per SHC 149.8(C)(2)(A), shall be eligible expenses and may be included in the Expenditure Plan, or any annual update

(d) Prepayment of indebtedness incurred to fund the Project.

19. **Responsibility for Costs.**

19.1 Costs for Maintenance, Operation and Rehabilitation of Toll Facility. Except as otherwise set forth herein, RCTC shall bear all costs of inspection, maintenance, operation, construction, repair, rehabilitation, and reconstruction of the Toll Facility, including the ETC System for the duration of the Agreement and any extension hereof.

19.2 Costs for Storm Water. Except as otherwise set forth herein, RCTC and Caltrans shall share the costs related to maintenance for stormwater which may drain from the Toll Facility to existing Caltrans facilities. The costs for such maintenance shall be based on the ratio of nonpermeable surface area attributable to each Party's facility, which shall be determined in accordance with the Caltrans' Storm Water Quality Handbook, SWPPP/WPCP Preparation Manual.

19.3 Costs for Caltrans Services Requested by RCTC. Other than expressly set forth herein or except as otherwise agreed upon by the Parties, RCTC shall be responsible for the costs of any services of Caltrans requested by RCTC including, but not limited to, those services that state law mandates Caltrans to perform, oversight for capital projects and the cost of Pavement Management System testing if RCTC requests Caltrans perform such tests for the Toll Facility.

19.4 Impacts to Toll Facility Appurtenances. During the design of the Project, RCTC shall coordinate with Caltrans to locate the Toll Appurtenances to minimize impacts due to future Caltrans projects known at that time. In the case of any future project that impacts or requires relocation of any Toll Facility Appurtenances, the Party implementing the future project shall be the lead agency for the relocation. The Parties shall coordinate to

minimize such impacts and determine the party best suited to perform the relocation. RCTC shall contribute to any future required Toll Facility Appurtenances relocation in an aggregate amount not to exceed $200,000 within each fiscal year, and shall be subject to annual adjustment, commencing as of the first day on which the Toll Facility is placed into toll operations, in an amount equal to the percentage increase in the Index as of the effective date hereof.

20. **Public Safety/Policing.**

20.1 CHP Police Services.

(a) RCTC shall enter into an agreement with CHP to engage police services from CHP for the Toll Facility.

(b) At RCTC's request, Caltrans shall assist RCTC in negotiation of the police services contract with CHP.

20.2 Level of Police Services. The Parties agree that the agreement with CHP shall provide that police services for the Toll Facility shall be at least equivalent to that provided on comparable Caltrans-operated routes.

20.3 Toll Violation Enforcement. RCTC shall have the right to:

(a) Engage services of CHP or other law enforcement agency to apprehend and/or cite toll violators in accordance with State law.

(b) Initiate civil and administrative actions and other toll enforcement and collection actions against toll violators consistent with applicable law.

(c) Enforce all private rights against toll violators.

(d) Engage private security to identify toll violators

(e) Take other legally permissible actions to collect, enforce, and protect toll revenues.

20.4 No Right to Toll Facility Customer Information. This Agreement shall not provide Caltrans with any independent right to any Toll Facility customer information.

20.5 Compliance with Laws. RCTC shall follow all applicable traffic enforcement laws and regulations, and both Parties shall comply with all applicable privacy laws with respect to customer information.

21. **Caltrans Use or Closures of Toll Facility.**

21.1 Emergency Use of Toll Facility. Caltrans, in coordination with CHP as appropriate, may close the Toll Facility and/or open the Toll Facility to general-purpose traffic for incident management or emergency response in accordance with the approved Incident

Management Plan and other established rules, guidelines, and criteria. An "emergency" is a circumstance posing an immediate and serious threat to life or safety, or a significant environmental hazard requiring immediate action that necessitates closure or a special operating configuration of the Toll Facility. Inconvenience to the public resulting from closures or congestion in the general-purpose lanes does not, on its own, constitute an emergency. Closures undertaken for incident or emergency purposes shall be limited to the shortest reasonable duration needed to address the situation, and each Party shall act diligently to resolve the condition. Caltrans shall notify RCTC in advance of any emergency-related closure when feasible, or as soon as practicable when prior notice is not possible. These requirements do not restrict closures initiated by Caltrans at the request or direction of CHP or another authorized law-enforcement agency. Upon notification from Caltrans, RCTC shall adjust TMS signs to reflect the operating configuration.

21.2 Closures Necessitated by Construction or Maintenance Activities. Should a closure of all or a portion of the Toll Facility be required to accommodate Caltrans' construction or maintenance activities on the General-Purpose Lanes adjacent to the Toll Facility or in performance of Structures maintenance under terms of the Agreement, Caltrans shall submit a closure plan to RCTC no less than ten (10) days prior to any such proposed closure. No closure of the Toll Facility shall be permitted for the purposes specified in this Section unless and until RCTC approval of the closure plan. RCTC shall not unreasonably withhold timely approval. Timely approval is defined as one(1) week from the date of receipt of such requests. Caltrans shall make its best efforts to conduct construction and maintenance activities in such a manner as to minimize any required closures of the Toll Facility and to avoid closures during peak travel periods. If any Caltrans construction or maintenance activity results in the Toll Facility not reopening on time, Caltrans will develop a corrective action plan for review and approval by RCTC. RCTC shall not unreasonably withhold timely approval. Caltrans failure to abide by the conditions of the approved corrective action plan may result in the RCTC rejection of future closure requests for that specific construction or maintenance activity.

21.3 Liquidated Damages. During the project development phase for future Caltrans projects, Caltrans and RCTC will collaboratively work together to minimize the number and duration of Toll Facility Express Lane closures. Liquidated damages, if applicable, for failure to reopen Express Lane closures within specified timeframes shall be established in accordance with Caltrans policies, procedures, and applicable law. RCTC may review and provide comment on such liquidated damages, which Caltrans may consider in its sole discretion**.**

21.4 Non-Emergency Use of Toll Facility by Caltrans Staff. Caltrans vehicles shall be allowed to access and use the Toll Facility free of costs to enable Caltrans to staff to perform their official duties.

21.5 Toll Revenue Impacts. Notwithstanding any provision of this Agreement to the contrary, Caltrans is authorized to maintain, construct, improve and operate facilities within the Expresslane corridor that compete with or require temporary closure of the Toll Facility, and in no event shall RCTC or RCTC Parties be entitled to compensation for the

adverse effects on Toll Revenue due to those competing facilities, or the short term closures of Toll Facility for the reasons stated in this Agreement.

22. **Financing.**

22.1 Responsibility for Project Financing. The responsibility for financing the Project is set forth in the Cooperative Agreement.

22.2 Caltrans Assistance with Information Requirements.

(a) Caltrans shall provide reasonable assistance with any reporting, documentation, and other reasonably necessary informational requirements of RCTC's lenders/bond holders. Any expenditures incurred by Caltrans associated with these efforts shall be reimbursed by RCTC.

(b) Caltrans may be requested to execute certificates associated with lender requirements and agrees to do so as appropriate. Caltrans may also be required to provide periodic estoppel certificates to bondholders or lenders regarding RCTC's compliance under this Agreement (and any other agreement between the Parties relating to the Toll Facility, including any mai between Caltrans and RCTC)., Pursuant to federal law, Caltrans may also be required to annually certify that the Toll Facility is being adequately maintained.

(c) The State of California is not to be advertised as backing any financial instrument or offering associated with the Project. Any prospectus or other public statement or offering shall include an express statement that "neither the full faith and credit, nor the taxing authority of the State of California is pledged to the payment of principal of, or the interest on, this instrument."

(d) Caltrans will not certify that the financing meets Securities and Exchange Commission criteria, and will not give any warranties related thereto.

23. **Representations and Warranties.**

23.1 Representations and Warranties of Caltrans. In addition to the other representations and warranties of Caltrans contained herein, to the extent Caltrans is aware and to the best of its knowledge, Caltrans hereby represents and warrants as follows:

(a) Caltrans, as a department of the executive branch of the State of California, is duly organized and existing under the laws and Constitution of the State of California, is authorized to execute and deliver this Agreement and to perform its obligations hereunder and by proper action has duly authorized the execution, delivery, and performance of this Agreement.

(b) The execution and delivery by Caltrans of this Agreement and the consummation of the transactions contemplated hereby is not in conflict

with, or a breach of or a default under any law or regulation applicable to Caltrans, and to the best of Caltrans' knowledge after due inquiry, there is no restriction or prohibition which would impair or render unenforceable or illegal, as to Caltrans, any provision of this Agreement including, without limitation, or any other related agreement to which it is a party.

(c) Caltrans has determined that RCTC will incur substantial cost and expense to design, develop, acquire, construct, install, and operate the Toll Facility, and that it is necessary, appropriate, and reasonable to provide the assurances, protections, rights, and warranties contained herein.

(d) No litigation is pending or, to the best knowledge of Caltrans, threatened challenging the authority of Caltrans to enter into this Agreement other than that which Caltrans has notified RCTC of by separate letter prior to the Effective Date, and Caltrans is in compliance with all applicable laws and regulations.

(e) Caltrans owns and controls the State Highway System, subject to those existing rights granted to sub parties.

(f) The representations and warranties of Caltrans contained herein are, as of the date of execution hereof and thereof, accurate and complete.

23.2 Representations and Warranties of RCTC. In addition to the other representations and warranties of RCTC contained herein, RCTC hereby represents and warranties as follows:

(a) RCTC has the authority to execute, deliver, and perform this Agreement, and the terms and conditions hereof are valid and binding obligations of RCTC.

(b) The execution and delivery by RCTC of this Agreement and the consummation of the transactions contemplated hereby is not in conflict with, or a breach of or a default under any law or regulation applicable to RCTC, and to the best of RCTC's knowledge after due inquiry, there is no restriction or prohibition which would impair or render unenforceable or illegal, as to RCTC, any provision of this Agreement, or any other related agreement to which it is a party.

(c) To RCTC's best knowledge, there is no litigation in effect challenging RCTC's authority to enter into this Agreement, other than that which RCTC has notified Caltrans by separate letter prior to the Effective Date, and RCTC is in compliance with all applicable laws and regulations.

(d) The representations and warranties of RCTC contained herein are, as of the date of execution hereof and thereof, accurate and complete.

24. **Allocation of Responsibility; Liability.**

24.1 RCTC Obligations Related to Toll Facility. As between Caltrans and RCTC, RCTC shall be responsible for inspecting, operating, maintaining, policing, administering the Toll Facility, and for collecting tolls for the use of the Toll Facility, subject to and in accordance with the terms of this Agreement, except to the extent RCTC engages Caltrans to perform maintenance or any other services, and CHP to perform police services .

24.2 RCTC Indemnification of Caltrans Parties. Neither Caltrans nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by RCTC, its contractors, sub-contractors, and/or its agents under or in connection with any work, authority or jurisdiction conferred upon RCTC under this Agreement. It is understood and agreed that RCTC, to the extent permitted by law, will defend, indemnify and save harmless Caltrans and all of its officers and employees from all CLAIMS, suits or actions of every name, kind and description brought forth under, but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by RCTC, its contractors, sub-contractors, and/or its agents under this Agreement.

24.3 Caltrans Indemnification of RCTC Parties. Neither RCTC nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by Caltrans , its contractors, sub-contractors, and/or its agents under or in connection with any work, authority or jurisdiction conferred upon Caltrans under this Agreement. It is understood and agreed that Caltrans , to the extent permitted by law, will defend, indemnify and save harmless RCTC and all its officers and employees from all CLAIMS, suits or actions of every name, kind and description brought forth under, but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by Caltrans, its contractors, sub-contractors, and/or its agents under this Agreement. .

25. **Records.**

The Parties shall hold all administrative draft and administrative final reports, studies, materials, and documentation relied upon, produced, created, or utilized for operation and/or maintenance of the Toll Facility in confidence to the extent permitted by law. Where applicable, the provisions of California Government Code Section 6254.5(e) shall govern the disclosure of such documents in the event that the Parties share said documents with each other. The Parties shall not distribute, release, or share said documents with anyone other than employees, agents, and consultants of the Parties who require access to such documents for a purpose related to operation and maintenance of the Toll Facility without the written consent of the Party authorized to release them, unless required or authorized to do so by law.

26. **Insurance.**

26.1 Commercial General Liability Insurance.

(a) RCTC shall procure and maintain throughout the term of this Agreement comprehensive general liability insurance protecting RCTC from risks arising from RCTC's activities covered under this Agreement. Such liability insurance policy shall include coverage for bodily injury and property damage. If RCTC uses existing coverage to comply with the requirements contained in this Section 18 and that coverage does not meet these requirements, RCTC agrees to amend, supplement, or endorse the existing coverage to meet the requirements herein.

(b) Caltrans shall be included as an additional insured under the insurance policy(ies) described in this Section 18. As respects Caltrans, for claims arising out of the activities contemplated in this Agreement, such insurance shall be primary and noncontributory with any insurance maintained by Caltrans.

(c) The insurance coverage required shall be in amount not less than $25 million general aggregate per year.

26.2 Evidence of Coverage.

(a) Evidence of insurance in compliance with the requirements of this Section 18 shall be furnished to Caltrans by providing complete copies of the underlying policy(ies) of insurance as well as an endorsement naming Caltrans as an additional insured and all addenda and exclusions as well as by standard certificates of insurance. Neither the insurance policies nor the additional insured endorsements shall contain provisions or exclusions inconsistent with this Agreement. Such policies or endorsements shall include a notice of cancellation, of not less than thirty (30) days (ten [10] days for non-payment of premiums), to Caltrans.

(b) Such insurance shall be issued by a company or companies authorized to transact business in the State.

26.3 Denial of Coverage. If the insurance carriers for the policies of insurance described in this Section 18 deny coverage to RCTC or Caltrans with respect to any Claims reported to such carriers, Caltrans and RCTC shall cooperate to establish whether, to what extent, and how to fund the cost of contesting the denial of coverage.

27. **Default/Remedies.**

27.1 Default. Subject to the extensions of time set forth in this Agreement and/or any extensions agreed upon by the Parties, failure, or delay by either Party to perform any material term or provision of this Agreement constitutes a default under this Agreement.

27.2 Notice of Default. The non-defaulting Party shall give written notice of such default to the Party in default, specifying the alleged default. The defaulting Party shall commence to cure, correct, and/or remedy the default as soon as reasonably practicable. The Party shall complete the cure of the default within thirty (30) days or such longer time as the non-defaulting Party agrees in the event the default cannot be cured within that time. Except as otherwise expressly provided in this Agreement, any failures or delays by either Party in asserting any of its rights or remedies with respect to a default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either Party in asserting any of its rights and remedies shall not deprive either Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

27.3 Failure to Cure. In the event that the defaulting Party fails to complete the cure or remedy of a default within thirty (30) calendar days following receipt of written notice, or within such time as the non-defaulting Party otherwise agrees, a breach of this Agreement shall be deemed to have occurred, and the defaulting Party shall be liable to the non-defaulting Party for any damages caused by such breach.

27.4 Rights and Remedies. In the event of a breach, the non-defaulting Party may exercise the right to seek damages, specific performance or other injunctive or equitable relief. The exercise of a Party's rights and remedies shall be cumulative with the exercise of other rights and remedies. The Parties agree that, during the period in which RCTC is operating the Toll Facility, termination for default shall not be an available remedy of Caltrans . Caltrans also acknowledges that it shall not have the right to collect or retain toll revenues on account of or as an offset against damages or otherwise.

28. **Loans and Encumbrances**

28.1 RCTC's Indemnity - RCTC shall indemnify, defend, and hold harmless Caltrans from and against any and all Claims, liabilities, losses, damages, costs, and expenses (including reasonable attorneys' fees) arising out of or related to any loan, financing, or other obligation of RCTC, including any Claim or action asserted by any lender or creditor against Caltrans or the Premises.

29. **Dispute Resolution.**

(a) RCTC and Caltrans shall attempt to resolve all disputes. In the case of a dispute and prior to the exercise of any judicial remedies for a breach of this Agreement, the following procedure shall govern:

(i) Representatives of Caltrans and RCTC shall attempt to resolve the dispute within fifteen (15) days, or such longer period as agreed on by the Parties.

(ii) If the representatives of Caltrans and RCTC are unable to resolve the dispute, the matter shall be referred to the District Director of Caltrans and to the RCTC Executive Director. The foregoing officers of the

Parties shall attempt to resolve the dispute within fifteen (15) days, or such longer period as agreed on by the Parties.

(iii) If the District Director of Caltrans and the RCTC Executive Director are unable to resolve the dispute, and if the disputed amount claimed by a Party does not exceed $500,000 and, in the aggregate, unresolved disputes do not exceed $5,000,000, either Party may demand that the dispute be submitted to binding arbitration. The amounts specified in the foregoing sentence shall be subject to annual adjustment, commencing as of the first day on which the Toll Facility is placed into toll operations, in an amount equal to the percentage increase in the Index as of the effective date hereof.

(iv) If the dispute does not meet the specifications above, the Parties may agree to submit the dispute to arbitration or other form of alternative dispute resolution, or either Party may seek any other legal remedies available.

(b) Available remedies to the Parties shall include, without limitation, (i) injunctive relief and other equitable remedies, (ii) specific performance, (iii) termination, in whole or in part, of any obligation on the part of the prevailing Party to reimburse the losing Party for the disputed work at issue conducted by the losing Party, (iv) the right of the prevailing Party to recover monies paid to the losing Party as reimbursement for the disputed work at issue, or portions thereof, conducted by the losing Party, and (v) the right of the prevailing Party to reimbursement for costs incurred in conducting or completing work ordered by the losing Party.

30. **Transfer Back to State.**

30.1 Transfer of Property to Caltrans at End of Term. At the end of the term of this Agreement, including any extension thereof, if any, or expiration of RCTC authority to operate the Toll Facility, all fixtures owned by RCTC and which is related to the Toll Facility, ETC System, including the signs, gantries, other tolling equipment, traffic control devices and video surveillance and enforcement equipment, and other similar equipment utilized for the operation of the Toll Facility, shall be in a functional and operational state, and, excluding any computer software or hardware for which a license may be required, shall automatically become the property of Caltrans. Caltrans may, but is not obligated to, assume the rights and obligations of RCTC with respect to personal property, ETC Equipment and ETC Systems which are not owned by RCTC.

30.2 Condition of Toll Facility at End of Term. The Toll Facility shall be returned to Caltrans in a condition that meets the Handback Requirements identified in Exhibit "C" attached hereto and incorporated herein by reference.

30.3 Transfer of Obligations for Toll Facility to Caltrans. At the end of the term of this Agreement, including any extension terms, and to the extent the Handback Requirements identified in Exhibit "C" have been met, all maintenance and other obligations of RCTC shall become the responsibility of Caltrans, other than, unless otherwise agreed upon by the Parties, any then-existing financing obligations of RCTC to third parties that relate to the Toll Facility.

30.4 Vendor Contracts. Caltrans may, but is not obligated to, assume the role of RCTC with respect to any third-party vendor contracts relating to the maintenance or operation of the Toll Facility. RCTC agrees to take all reasonable steps to allow for the substitution of Caltrans for RCTC with respect to any third-party vendor contracts.

30.5 Punch List. The Parties agree that a punch list, to include all outstanding maintenance and repair obligations of RCTC related to the Toll Facility, shall be developed by the Parties one (1) year prior to transfer of the Toll Facility to Caltrans. RCTC shall complete all agreed upon items on the punch list prior to the end of the term of this Agreement.

30.6 Transfer of Records at End of Term. At the end of the term of this Agreement, RCTC shall transfer to Caltrans all records pertaining to material maintenance, operations, unresolved complaints, safety, and modifications of the Toll Facility generated within five (5) years prior to termination of this Agreement and maintained by RCTC.

31. **Other Miscellaneous Standard Provisions.**

31.1 Assignment of Agreement. Other than as provided in Section 50, no assignment of this Agreement is authorized unless permitted by law and approved by Caltrans, and any such unauthorized assignments would be considered void-ab-nitio.

32. **Subcontracting.** RCTC may, in its sole discretion and in compliance with all applicable legal requirements, enter into subcontracts with third-party contractors or

consultants for performance of any of its obligations hereunder. Such rights of RCTC include the right of RCTC to subcontract for operation and/or maintenance of Toll Facility and, except as expressly set forth herein, for performance of any other obligations of RCTC under this Agreement.

33. **Covenant to Cooperate.** The Parties agree to take all reasonable steps within the confines of existing laws, regulations, or policy, for the effective implementation, operation, and maintenance of the Toll Facility. While understanding the Parties cannot control the actions of the public or the ultimate users of the State Highway System nor can they control nature or acts of God, the Parties expressly agree to take all reasonable and necessary steps to avoid or minimize the effect of operational conflicts between the Toll Facility and the General-Purpose Lanes. Such reasonable and necessary steps shall include, but not be limited to, maintenance by Caltrans, in good condition and repair, that portion of the General-Purpose Lanes providing ingress to and egress from the Toll Facility.

34. **Designation of Representatives.** Caltrans shall designate a Caltrans representative to represent Caltrans and RCTC shall designate an RCTC representative to represent RCTC on matters related to this Agreement. All communications between the two agencies shall be channeled through the designated representatives.

35. **Notice.** Any notice provided pursuant to or required by this Agreement shall be in writing and shall be deemed sufficiently provided when sent by certified mail, return receipt requested, to the Parties at the following addresses:

RCTC:	**CALTRANS:**
Riverside County Transportation Commission P.O. Box 1200 Riverside, CA 92502-2208 Attn.: David Thomas, Toll Project Delivery Director	California Department of Transportation 464 West Fourth Street San Bernardino, CA 92401 Attn.: Deputy District Director, Traffic Operations

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail, first class postage prepaid, addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

36. **Force Majeure.** The failure of performance by either Party (except for payment obligations) hereunder shall not be deemed to be a default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor, railroad, or suppliers; acts of the other Party; acts or failure to act of any other public or governmental agency or entity (other than that

acts or failure to act of the Parties); or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform or relief from default. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) days of commencement of the cause. Times of performance under this Agreement may also be extended in writing by mutual agreement between the Parties.

37. **Bankruptcy; Estate of the Debtor.** Upon the filing, petition, or application for relief of the Bankruptcy Court, RCTC agrees and stipulates that the Toll Facility, excluding any toll plazas, gantries, and equipment cabinets; conduit, fiber, cameras, readers, signage, and supporting or related computerized communications systems; and other toll-related toll operations equipment and systems, are integrated elements of the State Highway System. RCTC further acknowledges that its interest in the Toll Facility, other than the excluded equipment and systems referenced in the foregoing sentence, are possessory rights derived from this Agreement including, without limitation, the permit to encroach and use Caltrans Highway right-of-way. RCTC agrees and acknowledges that the integrated elements of the State Highway System as noted above are also an integral element of the national federal aid highway system whose continued and efficient operation strongly implies the public's interest in travelling safety and the inter-regional transportation of goods and services.

38. **Access for Maintenance or Operations Purposes.** Access to any portion of the Toll Facility by Caltrans and to the General-Purpose Lanes by RCTC for maintenance and/or operations purposes of either Party shall be through notice and coordination with the other Party.

39. **Airspace Reserved.** Airspace over or under any portion of the Toll Facility is hereby expressly reserved to Caltrans, with the exception of toll collection equipment, gantries, and toll enforcement equipment.

40. **Liens.** RCTC agrees that under no circumstance shall RCTC allow any lien to attach to any portion of the General-Purpose Lanes or to any portion of the Toll Facility arising out of or related to the actions of RCTC and/or any of its contractors, whether constructed, completed or accepted. To the extent any lien is recorded or asserted in violation of the foregoing, is void and RCTC agrees to promptly act to remove or satisfy said lien. Satisfaction or removal may be by payment, procurement of bond, or otherwise.

41. **Amendment, Repeal, or Supersession.** References to statutes shall be deemed to incorporate any future amendment or supersession of said statutes. If said statute has been repealed and if no amendment or supersession has been promulgated or effected, or if the effect of amendment or supersession is materially different from the predecessor statute, then the Parties agree to meet and confer and amend the Agreement as warranted. The Parties agree to meet and confer with respect to any

applicable amendment or modification of any Caltrans manual or policy upon notice to RCTC from Caltrans of such amendment or modification.

42. **Agreement is Contractual in Nature and Not Mere Implementation of Statute.** The Parties agree this Agreement and its terms are contractual in nature and not the mere implementation of otherwise applicable statutes or authorities.

43. **No Partnership or Joint Venture.** In no event shall this Agreement be construed as establishing a partnership or joint venture or similar relationship between the Parties.

44. **Amendments.** This Agreement may be amended at any time by the mutual consent of the Parties; however, no amendments or other modifications of this Agreement shall be binding unless executed in writing by both Parties hereto, or their respective successors or assigns.

45. **Waiver.** No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of either Party shall be deemed to waive or render unnecessary such Party's consent to or approval of any subsequent act of the other Party. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

46. **Captions.** The captions included in this Agreement are for convenience only and in no way define, limit, or otherwise describe the scope or intent of this Agreement or any provision hereof, or in any way affect the interpretation of this Agreement.

47. **Interpretation.** The Parties acknowledge that this Agreement is the product of mutual arms-length negotiation and drafting and that each Party has been represented by legal counsel in the negotiation and drafting of this Agreement. Accordingly, the rule of construction which provides that ambiguities in a document shall be construed against the drafter of that document shall have no application to the interpretation and enforcement of this Agreement.

48. **Severability.** In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the Parties hereunder.

49. **Governing Law.** This Agreement shall be governed by the laws of the State of California. Venue shall be in the California Superior Court for Riverside County.

50. **Third-Party Beneficiaries.** There are no third-party beneficiaries of this Agreement, and this Agreement is not intended, and shall not be construed, to be for the benefit of, , any other person or entity whatsoever; provided that,

notwithstanding anything to the contrary in this Agreement, RCTC may collaterally assign its rights under the Agreement to the holders of any bonds or other obligations issued or incurred by RCTC to finance the construction, operation, maintenance, equipping, repair or rehabilitation of the Toll Facility and such holders may seek remedies hereunder and may, but shall not be obligated to, satisfy and discharge any of RCTC's obligations hereunder, including without limitation curing any default or other breach, and exercise all of RCTC's rights hereunder, including by means of a writ of mandamus or otherwise, all as determined by a court of competent jurisdiction. ,.

51. **Entire Agreement.** This Agreement, the attached exhibits, and any other documents specifically referenced and incorporated herein constitute the entire agreement between the Parties with respect to the subject matter hereof, and supersede all prior verbal or written agreements and understandings between the Parties with respect to the matters addressed in this Agreement.

52. **Time of the Essence.** Time is of the essence in the performance of this Agreement.

Signatures on following page

SIGNATURE PAGE TO

CALTRANS/RCTC TOLL OPERATING AGREEMENT

INTERSTATE 15 EXPRESS LANES SOUTHENR EXTENSION IN RIVERSIDE COUNTY

District Agreement No. XXXX
RCTC Agreement No. XXX-

STATE OF CALIFORNIA **DEPARTMENT OF TRANSPORTATION**	**RIVERSIDE COUNTY** **TRANSPORTATION AUTHORITY**
By: _____	By: _____ Aaron Hake, Executive Director
Title: _____	
APPROVED AS TO FORM AND PROCEDURE:	APPROVED AS TO FORM:
_____ Attorney, Department of Transportation	_____ Legal Counsel Best, Best & Krieger LLP

Exhibit "A"

General Description of Toll Facility

The Toll Facility is generally described extending the existing express lanes approximately 15 miles in each direction beginning at the southern terminus of the existing I-15 express lanes near Cajalco Road in Corona, California, extending to the south near State Route 74 (SR-74) in Lake Elsinore. The Toll Facility includes two tolled express lanes in both directions within the I-15 median, including the buffer between the express lanes and General-Purpose lanes.

The Toll Facility will be further defined by the approved final plans developed under the Progressive Design Build Cooperative Agreement.

Exhibit A-1

Toll Facility Map

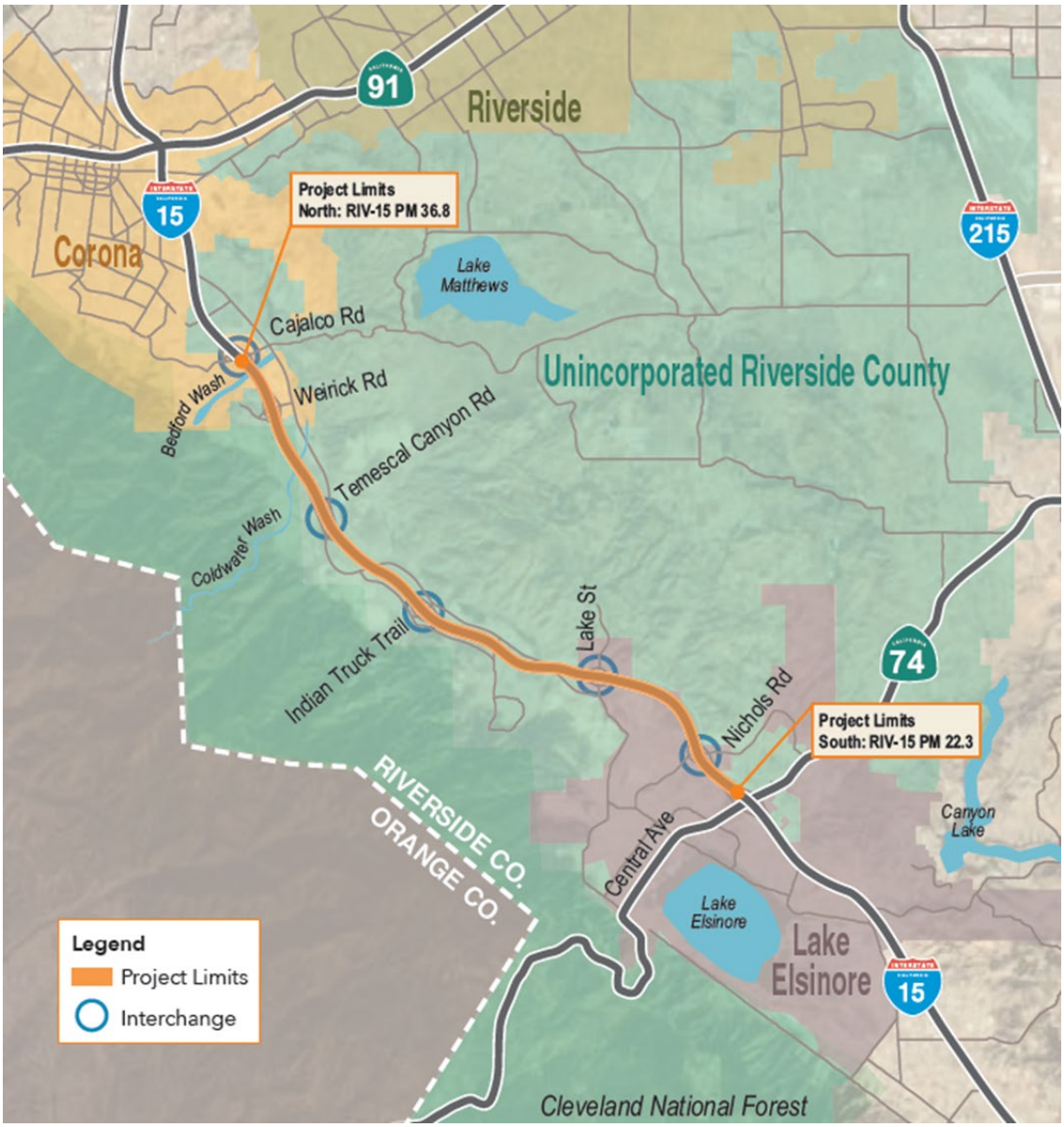


Exhibit A-2

Typical Cross Section

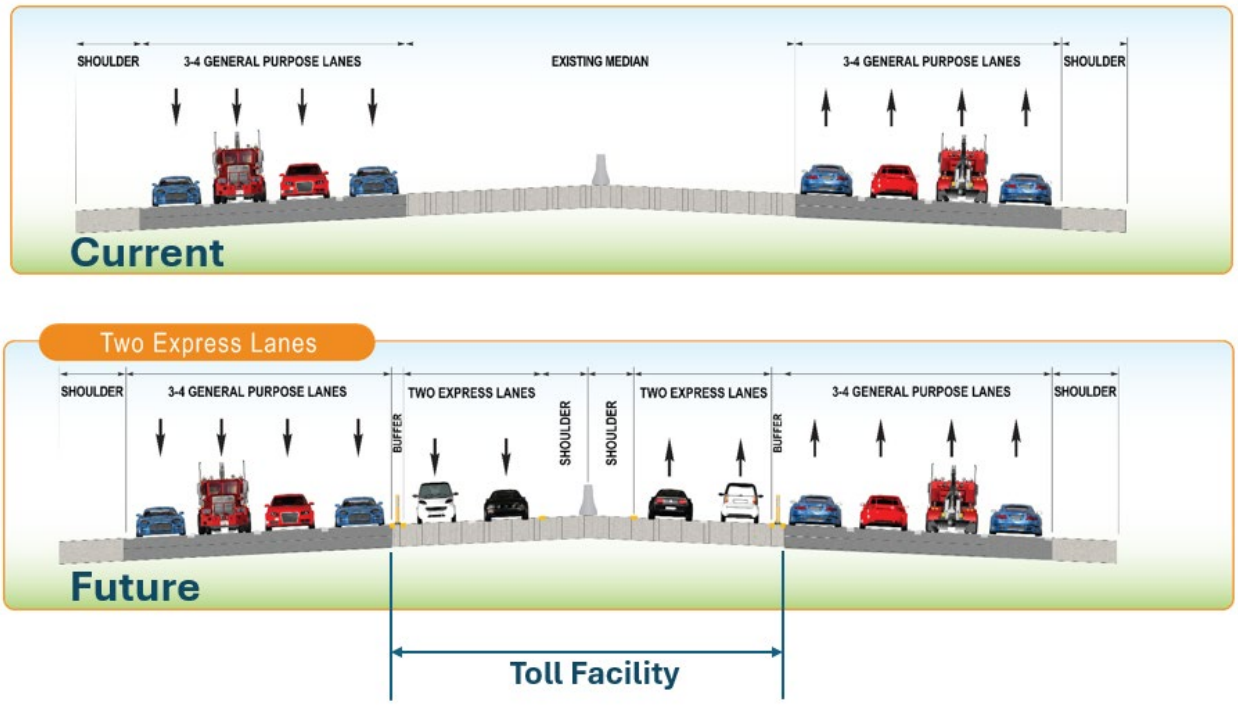


Exhibit A-3

Typical Toll Facility ETS System Read Point

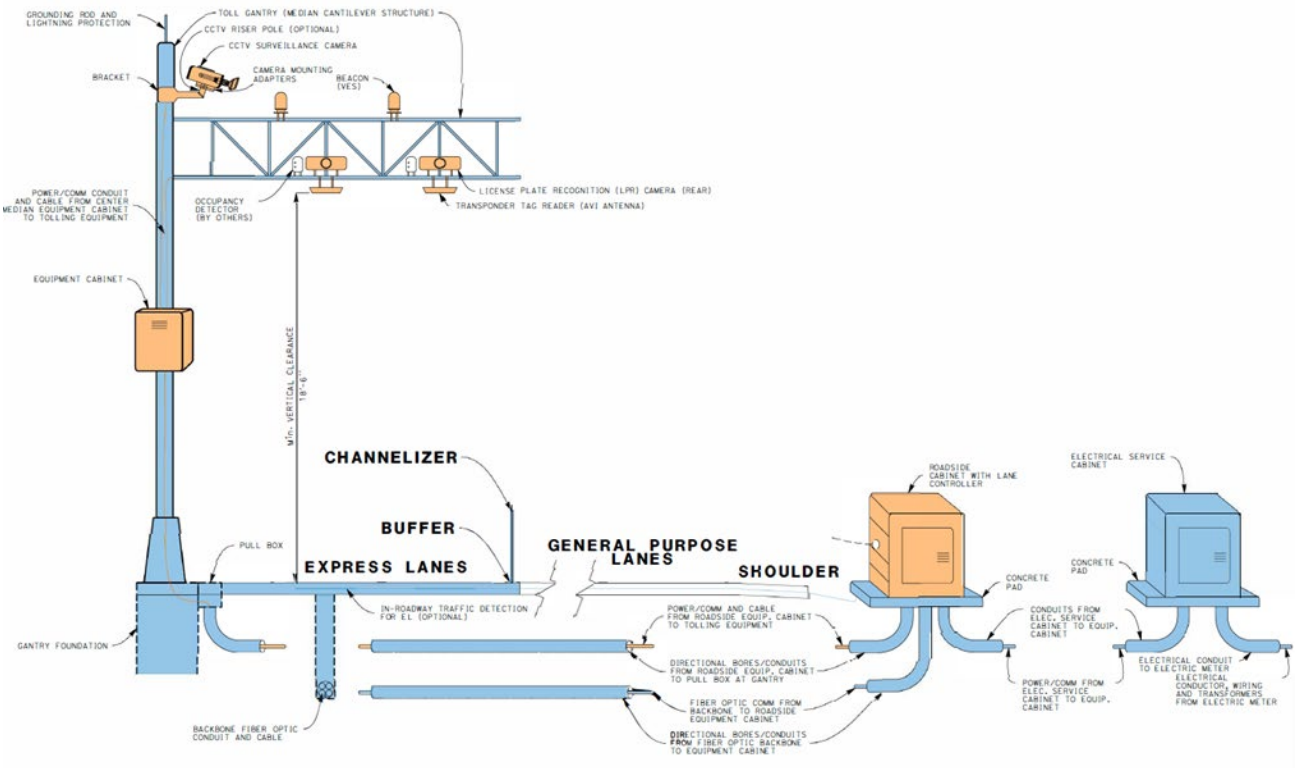


Exhibit A-4

Final plans developed under the Progressive Design Build Cooperative Agreement will be inserted prior to opening the Toll Facility.

Exhibit "C"

Handback Requirements

1.1 Residual Life Methodology

RCTC shall prepare and submit to Caltrans a Residual Life Methodology (RLM), no later than sixty (60) months before the end of Term. The inspection requirements and Residual Life Methodology requirements identified in the Handback Residual Life Requirements, Table 1-1 are minimum requirements. This submittal shall contain the evaluation and calculation criteria to be adopted for the calculation of the Residual Life at the Handback of all Elements of the Project. The scope of any Residual Life inspection or testing shall be included, together with a list of independent, professional, licensed, and Caltrans-certified organization to be used by RCTC for pavement Residual Life testing. Inspections shall provide a continuous or near-continuous record of Residual Life in each lane. Where the inspection method does not provide a continuous record of Residual Life, the number of valid measurements in each Performance Section shall be sufficient to give a statistically valid result.

Inspections shall be repeatable to an agreed level of accuracy, and inspection contracts shall include an agreed proportion of inspections to verify accuracy.

Inspections shall include ride quality, skid resistance < value not listed in table, faulting, and cracking.

RLM shall be capable of calculation of Residual Life for each 0.1 mile Performance Section.

For a nominal ten (10)-year Residual Life at Handback, 85% of Performance Sections shall have a Residual Life exceeding ten (10) years, and no Performance Section shall have a calculated Residual Life of less than five (5) years.

1.2 Residual Life Inspections

Residual Life Inspections and testing shall be performed with appropriate coverage such that the results are representative of the whole operations and maintenance (O&M) Limits within the Project in accordance with the Handback Residual Life Requirements in Table 1-1. All Residual Life Inspections and testing shall be performed under the oversight of a licensed registered Engineer for respective discipline. The responsible Engineer shall certify each Residual Life Inspection and test results. Caltrans shall be given the opportunity to witness any of the inspections and/or tests and shall be provided with a minimum of fourteen (14) calendar days' notice prior to the performance of any such inspections or tests. RCTC shall deliver to Caltrans, within thirty (30) calendar days after it is created, the output data arising from any testing and any interpretation thereof made by the testing organization.

If RCTC fails to undertake inspections within the relevant time periods described below, Caltrans shall be entitled to undertake or arrange the relevant inspections itself, following thirty (30) calendar days written notice to RCTC.

1.3 Residual Life Inspection Report

A Residual Life Inspection Report shall be developed for each of the specified Residual Life Inspections. The Residual Life Inspection Report shall provide a record of the asset conditions of all Elements and components of the Project in accordance with Table 1-1. For each Element, it shall provide the following information: Residual Life Inspection Report shall be collated by Residual Life Elements in accordance with Table 1-1.

A. Report shall provide description and location of Element.

B. Element location shall be identified by global positioning system (GPS) coordinates. For non-fixed point Elements, provide GPS coordinates for beginning and end section limits.

C. Provide current Element condition and rating in accordance with respective inspection and testing methodology.

D. Provide an assessment of its current Residual Life.

E. Provide photographs of each Element, including individual component and specific section being evaluated to support the assessment of current asset condition.

F. Provide calculation of Residual Life at Handback for all pavement sections.

1.4 Initial Residual Life Inspection

RCTC shall carry out the Initial Residual Life Inspection in accordance with Table 1-1 to identify and establish the asset condition of all pavement components of the Project and verify the extent of the required Rehabilitation Work before the end of Term.

The Initial Residual Life Inspection shall be earned out between fifty-nine (59) and fifty-seven (57) months before the end of the Term. RCTC shall perform the Initial Residual Life Inspection of all identified Elements as set forth in Table 1-1. The test methods used for the Residual Life Inspections shall be the same methodology as the ones used by Caltrans at the time of the inspection.

1.5 Remaining Useful Life at Handback

Minor/low severity age-related non-structural weathering of concrete structures consisting of minor scaling and/or non-structural low severity hairline cracks shall not be evaluated and included as part of the handback requirements. Table 1-1 contains a list of pavement handback requirements.

Table 1-1. Handback Residual Life Requirements

Description	Residual Life at Handback (Yrs)	Useful Life at Handback (Yrs)	Inspection Requirements	Residual Life Methodology (RLM} Requirement
Pavement (rigid)	-	10 (>85)	Inspections shall provide a continuous or near-continuous record of Residual Life in each lane. Where the inspection method does not provide a continuous record of Residual Life, the number of valid measurements in each Pavement Performance Section shall be sufficient to give a statistically valid result. Inspections shall be repeatable to an agreed level of accuracy and inspection contracts shall include an agreed proportion of inspections to verify accuracy. Inspections shall include automated condition distress survey, ride quality, skid resistance, and faulting.	RLM shall be capable of calculation of Residual life for each 0.1-mile Pavement Performance Section. For a nominal ten (10)-year Residual Life at Handback, 85% of Pavement Performance Sections shall have a Residual Life exceeding ten (10) years, and no Pavement Performance Section shall have a calculated Residual Life of less than five (5) years. The Residual Life Methodology for road pavement shall take into account the thickness and joint load transfer efficiency. At the end of the O&M Period, the structural capacity of each lane of the Mainline roadway shall be such that to carry projected ten (10)-year loading without requiring rehabilitation. The following requirements shall be met at the time of handback: • Average IRI/mile< 120 in/ mile • Transverse unsealed random cracking>0.25" wide for <5% of slab • Longitudinal unsealed random cracking >0.25" wide for <5% of slabs • Comer breaks with>0.5" drop off 5% of slabs • Average joint faulting <0.1inch • Average skid number >30

AGENDA ITEM 9

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	May 13, 2026
TO:	Riverside County Transportation Commission
FROM:	Toll Policy and Operations Committee Silva Mardrussian, Customer Service Manager
THROUGH:	Aaron Hake, Executive Director
SUBJECT:	Consolidation of the 91 Express Lanes Back Office and Customer Services Operations with the 15 Express Lanes Back Office and Customer Service Operations and Approve an Amended and Restated Express Lanes Project Toll Services Agreement with Kapsch TrafficCom USA Inc. and Orange County Transportation Authority also an Amended and Restated Express Lanes Cooperative Agreement with Orange County Transportation Authority

TOLL POLICY AND OPERATIONS COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

1) Award the Amended and Restated Three Party Agreement with Kapsch Traffic Com USA Inc. (Kapsch) and Orange County Transportation Authority (OCTA), Agreement No. 16-31-043-05, adding OCTA as a party to the agreement, for the provision of back-office system (BOS) customer service center services (CSC) and traffic operation services (TOC) for the 91 Express Lanes, increasing the agreement by $81,360,002, plus a contingency amount of $12,000,000, for a total increased amount not to exceed $93,360,002;
2) Authorize the payment of pass-through items not to exceed $38,000,000 for the Commission's share of the amended scope of work pass-through costs;
3) Authorize the Executive Director or designee to approve the use of the contingency amount;
4) Determine that execution of the amended and restated agreement with Kapsch is in the best interest of the public and the Commission;
5) Approve amended and restated cooperative agreement for Express Lanes between Riverside County Transportation Commission and OCTA (ORCA) Agreement No. 12-31-039-01; and
6) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of the Commission.

BACKGROUND INFORMATION:

On December 16, 2011, the Commission and OCTA (Agencies) entered into Cooperative Agreement No. 12-31-039-00 (Original Agreement) in preparation for RCTC's construction and operation of the 91 Express Lanes. The Original Agreement addressed obligations of the parties prior to and during construction, as well as obligations to prepare for and jointly operate

customer service and traffic operations for the 91 Express Lanes once the facility was open for public use. The purpose of the Original Agreement was to enhance customer experience and achieve cost efficiencies, with Cofiroute USA, LLC (CUSA) providing these services. A stated goal of the Original Agreement is the seamless operation of the 91 Express Lanes within both counties. Preparation for the joint operation of the 91 Express Lanes was implemented through a three-party operations agreement approved on May 24, 2013, with OCTA's existing operator, CUSA, and expanded when the Commission's 91 Express Lanes opened on March 20, 2017, at which point CUSA began providing full operations services for both Agencies. As the CUSA contract approached its June 30, 2021, expiration, Commission staff and OCTA staff evaluated a joint procurement strategy and explored consolidating operations to include the 15 Express Lanes. However, the option to conduct procurement for a back-office which consolidated the 91 Express Lanes and 15 Express Lanes was not pursued due to timing misalignment, operational risks, and cost-sharing complexities.

As a result, the Agencies proceeded with separate procurements, ultimately establishing two parallel contracts for similar customer service and traffic operations, one for the 91 Express Lanes in both counties and one for RCTC's 15 Express Lanes. Below is an illustration recapping the toll service providers for both Express Lanes:

Express Lane	Contracting Agency	Contract Award	Contract Start Date	Contract Base End Date	Options Years Through
91	OCTA	Cofiroute USA	1/31/2022	1/31/2027	1/31/2033
15	RCTC	Kapsch	4/10/2021	4/10/2041	None

As the CUSA base contract end date approaches, Commission staff working together with OCTA staff have evaluated two options for the 91 Express Lanes customer service operation.

1. Issue a request for proposal for a replacement BOS and customer service operations by 2033; or
2. Consolidate the 91 Express Lanes customer service operation with the 15 Express Lanes customer service operation using the existing 15 Express Lanes contract.

Kapsch was selected for evaluation as the operator of the consolidated customer service operation because their contract has sufficient time to allow for the consolidation and stability in operations and they have provided excellent customer service for the 15 Express Lanes.

This report provides information about the evaluation of these options and requests the Commission's approval of an amended and restated three party agreement amongst Kapsch and OCTA which includes scope to integrate and consolidate the 91 Express Lanes customer service operation with the 15 Express Lanes customer service operation, and includes changes to address OCTA's role as a party to the agreement.

DISCUSSION:

While evaluating the two options listed above, the following areas were considered: customer service, schedule, cost, implementation and operational risk. Based on this evaluation, consolidating the 91 and 15 Express Lanes customer service operations using the existing Kapsch contract was determined by RCTC and OCTA staff to be the best option.

The determination was based on the collective experience of the Agencies' work procuring, delivering, and operating customer service programs for the 15, 91 and 405 Express Lanes and a proposal submitted from Kapsch to consolidate the 15 and 91 Express Lanes operations.

While performing the evaluation, Commission staff determined that awarding this work to Kapsch would be considered a non-competitive procurement. According to the Commission's Procurement Manual (Chapter 7 Section 1.0 A (11) a non-competitive procurement may be used when the Commission determines that the proposed award is in the best interest of the public and Commission. The following demonstrates that the use of Kapsch for the proposed services will improve customer service, allow for a relatively quick transition, reduce costs, and reduce implementation and operational risk.

Customer Service

Due to the direct connection between the 91 Express Lanes to the 15 Express Lanes, 35 percent of customers that use the 91 Express Lanes also use the 15 Express Lanes. A customer who uses both express lanes is often required to contact both CSCs to obtain information, make a payment or contest a toll evasion violation. Consolidation of the CSCs would allow customers to address both 91 and 15 Express Lanes matters by contacting one CSC.

Today, the two customer service operations have minor policy differences and branding that create confusion for customers. RCTC and OCTA staff have worked extensively to align policies and branding to provide a seamless customer experience should the consolidation be approved.

Kapsch has been providing the 15 Express Lanes customer service since 2021 and has consistently provided a high level of service as indicated by customer surveys and compliance with the performance requirements set forth in the existing contract. Commission staff believe that consolidating the 91 and 15 customer service operations will improve customer service for users of both the 91 and 15 Express Lanes.

Schedule

Staff from both Agencies and Kapsch have worked together for the past year to evaluate the BOS changes required to successfully consolidate the operations. The Agencies requested that Kapsch provide a detailed proposal for the consolidation of the operations.

The Kapsch proposal includes a schedule that indicates the customer service operations can be consolidated twelve months from the issuance of a notice to proceed. The estimated date for

consolidation, if notice to proceed were given in June of 2026, would be July 1, 2027. Over the twelve-month period Kapsch would make changes to the BOS, phone system and website to accommodate the 91 Express Lanes, prepare the regional operations center (ROC) for the transition of 91 Express Lanes staff into the consolidated operation, hire and train additional 91 Express Lanes staff and update customer materials to reflect a consolidated 91 and 15 Express Lanes branding. If the Agencies were required to issue a request for proposal for a new BOS and operator, the estimated time to go live would be five years. The earliest a new BOS could be implemented would be June of 2031, delaying the consolidation and customer service improvements by five years.

Additionally, the one-year schedule maximizes the amount of time (14 years) Kapsch would serve as the operator providing maximum cost-savings.

Cost

Cost savings associated with the consolidated customer service operation have been a focal point of the evaluation for this effort as it provides a direct benefit to the public. Any cost-savings in the operation and maintenance of the express lanes programs increases the surplus toll revenue available to continue improvements along the State Route 91 and Interstate 15. As the Commission's delivery plan includes projects that are vital to the public, an increase in surplus toll revenue is deemed to be a public benefit.

The cost of the proposed amendment is broken into three parts: one-time implementation, monthly operations and maintenance, and pass-through costs. The implementation cost includes changes to the BOS, the network, computer hardware, and the ROC. It also includes the cost for documentation updates and the hiring and training of new staff. The monthly operations fee includes the cost for Kapsch to staff and manage the 91 Traffic Operations Center and the CSC and the cost to maintain the BOS, network, website and phone system. The pass-through costs include items for direct reimbursement by the Agencies and primarily consist of credit card fees, postage, mailing costs, and collection fees. These costs are driven by transaction volumes and are not costs which are available for competitive pricing.

The cost of providing customer service for the 91 Express Lanes through the consolidated CSC for 14 years (through 2041) compared to the estimated cost if the customer service is reprocured results in $33 million in combined savings for the Commission and OCTA as shown in Table 1.

Table 1: Cost Proposal

Cost	Kapsch Proposal	Estimate if 91 Express Lanes Reprocured	Decrease/ (Increase)
Implementation	$ 9,761,410	$ 21,000,000	$ 11,238,590
Operate and Maintain (14 years)	$ 167,966,270	$ 185,563,213	$ 17,596,943
Pass-through (14 years)	$ 64,308,733	$ 68,492,238	$ 4,183,505
Total	$ 242,036,413	$ 275,055,451	$ 33,019,038

The cost proposed by Kapsch to add the 91 Express Lanes would be added to the Commission's existing 15 Express Lanes costs and allocated between OCTA's 91 Express Lanes, the Commission's 91 Express Lanes and the Commission's 15 Express Lanes based on the cost allocations set forth in the ORCA. The Commission's share of the implementation costs and operating and maintenance cost is $81,360,002 and the Commission's share of the pass-through costs is estimated to be approximately $38,000,000 providing an $18.6 million savings to the Commission's express lanes. Pass-through items will be paid through the Commission's issuance of a purchase order to Kapsch and will only be used for the aforementioned items on an as-needed basis.

As anticipated, the allocation of the costs for the combined 15 Express Lanes and 91 Express Lanes customer service operations results in economies of scale. The most notable economy of scale comes from costs related to customer service volumes, which should be reduced by 30 percent due to the centralization of customer service operation. The second most notable cost is the reduction in costs due to system maintenance as there will no longer be two BOSs.

Further cost reductions, while not included in the cost-savings, are expected by not having to make software updates to two systems to address legislative or policy changes and by reducing facility square footage.

The estimated cost to reprocure these services was based on the Commission and OCTA's recent experience contracting these services. The implementation of a new back-office system for the 91 and 405 Express Lanes averaged $17.5 million each plus consultant support costs of $2.5 million. The operation and maintenance cost were calculated based on the existing CUSA contract escalated at the same rate as the proposed Kapsch contract through the 14- year period. The pass-through costs were based on actual costs from the current 91 Express Lanes operation.

Implementation and Operational Risk

The consolidation of the 91 Express Lanes customer service operation with the 15 Express Lanes operation is considered a low-risk effort compared to the reprocurement option. In order to present the risks associated with this effort the work has been broken down into the following groups: back-office system, data migration, regional customer service center, and staffing.

Back-office System

Staff of both Agencies have worked to align the policies of both operations and to define the changes required to the existing 15 Express Lanes back-office system. The required BOS changes are a minor effort compared to the development of a new system, which would be required if a reprocurement was conducted. The sub-contractor that provides the BOS, BRiC LLC, has proposed making the required changes in small increments using a stringent process which BRiC has used numerous times since 2021. The implementation of changes in small "sprints" will allow for the existing 15 Express Lanes operation to continue without disruption and for testing of changes in the live system prior to transition of the 91 Express Lanes.

This approach significantly reduces risk compared to a full reprocurement. The Agencies recently managed development of the new 91 Express Lanes back-office system with Cofiroute USA, the existing operator. The effort, however, experienced delays and there were challenges delivering a fully functional system. BOSs are highly complex, supporting both customer account management and the processing of millions of transactions. Industry experience shows that the transition to new systems are often difficult. Other agencies, including San Diego Association of Governments (SANDAG), LA Metro, and OCTA, have encountered similar challenges in delivering new BOSs. In contrast, BRiC successfully implemented the 15 Express Lanes back-office system within 12 months without issue and currently supports the Transportation Corridor Agencies (TCA) system, which processes transactions for TCA, the San Bernardino County Transportation Authority, and will soon expand to include SANDAG. BRiC was also recently awarded a contract by LA Metro to replace its existing back-office system. Given the limited number of qualified providers and a history of unsuccessful implementations—such as SANDAG's prior contracts with multiple vendors and LA Metro's ongoing challenges since 2018—this approach minimizes delivery risk and supports operational stability.

The use of the existing proven BRiC system with some minor modifications to include the 91 Express Lanes is a low-risk effort compared to the option of procuring a new system. The BRiC system has operated well since 2021, and Commission staff are confident the system will perform well with the addition of the 91 Express Lanes.

Data Migration

The 91 Express Lanes has a large volume of customers and transaction data to be accurately migrated to the new system. BRiC is very familiar with the data elements and has successfully performed migrations of equal size and complexity. The proposed option includes transitioning historical inactive data in the months leading up to the transition to allow for thorough validation. The remaining active data will be transitioned over a long weekend when both the 91 Express Lanes and 15 Express Lanes operations will be paused.

The migration of the 91 Express Lanes data into the existing 15 Express Lanes system is low risk compared to a new vendor being required to migrate the data from both existing BOSs into a new system.

Staff, BRiC and Cofiroute have conferred on the migration processes and identified a method and process for the migration of data.

Regional Operation Center

Today, the 15 Express Lanes customer service operation and the 91 Express Lanes call center are located in adjacent Commission-owned buildings, with OCTA sharing in the cost of the space used by the 91 Express Lanes. If approved, the 91 Express Lanes call center representatives will be relocated to the 15 Express Lanes call center and the existing 91 Express Lanes space will be used to accommodate staff currently based in Anaheim, to support a fully integrated operation. The Anaheim building is leased by OCTA and RCTC shares the cost. The 91 Express Lanes Traffic Operations Center will remain in the Anaheim building. OCTA will work to negotiate a reduction in the leased space in Anaheim to further reduce joint agency costs, which are approximately $450,000 annually.

In order to accommodate the relocation of staff, Kapsch has proposed the addition of cubicles and the consolidation of two lunchrooms to create a unified work environment. Kapsch will also make changes to the network processing within the ROC. Changes to the ROC will be made outside the customer service center's normal business hours to avoid disruption to the live operation. The changes to the ROC have been determined to be low risk.

Under the reprocurement option, the new contractor would require an extended amount of time to prepare the ROC for its systems and staff, which would disrupt current operations. While the work to be performed at the ROC would not be considered high-risk, any disruption to live operation would negatively impact customer service.

Staffing

Kapsch has proposed a plan to hire qualified Cofiroute staff from the existing 91 Express Lanes operations for roles in the consolidated back office. This approach preserves institutional knowledge, maintains familiarity with express lanes policies and procedures, and reduces the need for extensive retraining. The Agencies, Kapsch and Cofiroute have engaged in discussions to mitigate transition impacts to staff, including retention strategies and clear communication to support continuity of operations.

The 91 Express Lanes staff that will be hired by Kapsch will require approximately one week of training to work in the BRiC system. The staff is already trained on both express lanes operating policies and standard procedures and should require minimum training in these areas. A phased approach is proposed, with some staff training prior to the transition and the remainder afterward. This would mean that the 91 Express Lanes operation would be understaffed the week prior to transition and the 15 Express Lanes would be understaffed the week following while training is completed. It would be understood that the CSCs could have longer wait times over a two-week period. The Agencies would mitigate this by reducing the contractor's performance requirements related to service time and by providing advanced communication to customers.

While some risk remains with regards to staffing it is considered far less risky than the transition from the existing contractor to a new contractor if a reprocurement is conducted.

Summary of Evaluation

Based on the evaluation of customer service, schedule, cost, implementation and operational risk, staff has determined that consolidating the 91 Express Lanes customer service operation with the 15 Express Lanes under the existing Kapsch contract is in the best interest of the public and the Commission. This unified CSC option will improve customer service and allow for a 2027 transition. Consolidation results reduce both costs and risks because of the existing system, infrastructure and operational framework.

To implement the recommended option, an Amended and Restated Toll Services Agreement (Amended and Restated Agreement) has been drafted. This Amended and Restated Agreement includes OCTA as a party, incorporates services for the 91 Express Lanes, and reflects the obligations of Kapsch, the Commission, and OCTA.

Approval and implementation of this agreement requires board approval from both Commission and OCTA. The Amended and Restated Agreement will replace and supersede RCTC's existing two-party agreement with Kapsch for the 15 Express Lanes. If either the Commission or OCTA board do not approve the Amended and Restated Agreement, staff will pursue a reprocurement of a 91 Express Lanes operator.

Contingency

A $12,000,000 contingency is proposed to provide for response to two specific areas of variability: the acquisition of computer and network hardware and Customer Service Representative (CSR) staffing levels. The consolidation of the 91 and 15 Express Lanes customer service operations requires upgrades to the network and computer servers which store toll transactions and customer data. Kapsch proposed the cost of the required equipment at the current purchase amounts and contingency funds are being requested should the proposed actual cost be higher than anticipated. Kapsch proposed CSR staffing levels based on assumptions regarding efficiencies for the consolidated 91 and 15 Express Lanes operation. RCTC and OCTA have agreed to work alongside Kapsch during the first year of operation to evaluate the CSR staffing levels. If the evaluation indicates that the staffing levels are not sufficient to meet the required customer service performance levels, a change order may be issued to increase the number of CSRs by one to five additional CSRs. The contingency provides for this increased cost over the 14-year operations and maintenance period.

Amended and Restated Cooperative Agreement for Express Lanes between RCTC and OCTA

The cooperative agreement between RCTC and OCTA for the construction and operation of the 91 Express Lanes was entered into 2011. The 2011 original agreement set forth opportunities for cooperation and coordination and set forth responsibilities based on certain assumptions regarding joint operation. After nearly 10 years of jointly operating, some of the assumptions

have changed and require updating, and many of the provisions of the agreement are no longer relevant. The proposed Amended and Restated cooperative agreement is intended to replace and supersede the original cooperative agreement. It includes revised revenue and cost sharing, provides OCTA's role as the account-holding agency for the 15 and 91 Express Lanes, and updates minor operations-related items that are no longer required.

The execution of the agreement and all related actions is contingent on the approval of the OCTA board scheduled for May 26, 2026.

FISCAL IMPACT:

The Commission's obligations will be funded from 91 Express Lanes toll revenues. $6.3 million will be included in the 91 Express Lanes budget for Fiscal Year 2026/27 to cover the Commission's share of the Implementation costs. The annual pass-through and operating and maintenance amounts will not start until FY 2027/28 and will be budgeted with each annual budget.

Financial Information							
In Fiscal Year Budget:		N/A	Year:	FY27 through FY 41	Amount:	FY 27 $6,344,916 FY28+ $125,015,086	
Source of Funds:	91 Toll Revenues				Budget Adjustment:		No
GL/Project Accounting No.:	009104/009199 XXXXX 00000 0000 5910 31 XXXXX						
Fiscal Procedures Approved:					Date:	04/16/2026	

Attachments:
1) Amended and Restated Three Party Agreement No. 16-31-043-05 with Kapsch and OCTA
2) Draft Amended and Restated Cooperative Agreement No. 12-31-039-01 for Express Lanes between RCTC and OCTA

Approved by the Toll Policy and Operations Committee on April 28, 2026

In Favor: 4 Abstain: 0 No: 0

AMENDED AND RESTATED TOLL SERVICES CONTRACT

FOR

THE RIVERSIDE 1-15 EXPRESS LANES PROJECT

AND

91 EXPRESS LANES PROJECT

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AMENDED AND RESTATED TOLL SERVICES CONTRACT

This Amended and Restated Toll Services Contract (Contract) is entered into by and amongst Riverside County Transportation Commission, a public entity of the State of California (RCTC), Orange County Transportation Authority, a public entity of the State of California (OCTA), and Kapsch TrafficCom Transportation NA, Inc., a Michigan corporation (Toll Services Provider or TSP), executed as of _____, 2026 with reference to the definitions contained in Exhibit 1 and the following facts. RCTC and OCTA are sometimes referred to herein, individually, as "Agency" or collectively, as "Agencies".

A. RCTC, in cooperation with the California Department of Transportation (Department) constructed two tolled express lanes in each direction generally between the 1-15 Cajalco Road interchange and the 1-15 / State Route 60 interchange through the cities of Corona, Norco, Eastvale, Jurupa Valley, and portions of unincorporated Riverside County, otherwise known as the 1-15 Express Lanes Project (the I-15 Express Lanes Project) using a Design-Build Contract.

B. The I-15 Express Lanes Project was authorized in accordance with authority to use state right-of-way granted by the State of California, acting by and through the Department, in a Cooperative Agreement (District Agreement No. OB-1526 dated May 31, 2016) (as amended, the Department Cooperative Agreement) and a Toll Facilities Agreement (RCTC Agreement No. 1731-002-00 to be executed in fall, 2016 (as amended, the Toll Facilities Agreement).

C. Pursuant to a request for proposals (as subsequently amended by addenda, the RFP) TSP was selected, on November 21, 2016, to design, implement, operate and maintain the I-15 Express Lanes Project toll collection system as detailed in this Contract (the I-15 Toll Services).

D. The I-15 Toll Services, as more particularly described in the Technical Provisions, included completing the D&D Work by the Completion Deadlines, completing the CSC Commencement Period Toll Services and currently include performance of all O&M Work, for the original Contract Price, subject only to certain specified limited exceptions and Pass-Through Cost Items set out in this Contract.

E. Tolling on the I-15 Express Lanes commenced on April 10, 2021.

F. The TCS's accuracy and reliability is of paramount importance to Agencies' ability to finance and build highways in order to meet their infrastructure needs. Agencies will suffer substantial losses and damages if the O&M Work does not meet the Contract requirements, including the KPIs. This Contract provides that TSP shall pay Agencies substantial Performance Liquidated Damages and Performance Stipulated Damages if the Toll Services do not meet the KPIs.

G. The Executive Director of RCTC, pursuant to Commission authorization, executed the original Contract with TSP with a Commission action dated January 26, 2017 ("Original Contract"). Following execution, RCTC and TSP entered into four amendments to the Original Contract for the I-15 Toll Services, including to extend the O&M Term as further described below, and to provide for the I-15 Refresh Services, as further detailed herein.

H. Pursuant to the amendments referred to above, RCTC exercised all five (5) original one year O&M Option Terms under the Original Contract, and added an additional ten (10) one year O&M Option Terms, for a total of fifteen (15) one year O&M Option Terms. All fifteen (15) one year O&M Option Terms were exercised by RCTC under Amendments No. 3 and 4 to the Original Contract, to extend the Original Contract through April 31, 2041.

I. RCTC and OCTA, through a joint operator contract, operate the back office system and customer services center for 91 Express Lanes in Riverside and Orange County. RCTC and OCTA now desire to include O&M Work for the 91 Express Lanes back office system and customer services center as part of the Contract with the TSP, and to amend and replace, except as otherwise provided herein, the Original Contract with this three party Amended and Restated Toll Services Contract.

J. While the Parties recognize that the D&D Work and the Commencement Period for the I-15 Express Lanes Project has been satisfactorily completed, some of the provisions from the Original Contract (as defined below) remain applicable to the I-15 Refresh Work, and may be applicable to future RCTC projects. Therefore, the original provisions related to the D&D Work and the Commencement Period including, but not limited to, provisions related to Package Turnover, Planned ROW Limits and DB Contractor have been retained in this Contract without amendment.

J. It is the intent of the Parties that the 15 Express Lanes and 91 Express Lanes back office system and customer services center will be jointly operated under this Contract by the TSP, and that the TSP will also operate the 15 Express Lanes roadside system for RCTC only under this Contract.

K. The Parties agree that decisions related to the back office system or customer services center shall require direction from both Agencies, and decisions solely related to the 15 Express Lanes roadside system shall require direction from RCTC only.

L. The Parties agree that this Agreement does not include roadside work for OCTA.

NOW, THEREFORE, in consideration of the sums to be paid to TSP by RCTC and OCTA under this Contract the Parties agree as follows:

SECTION 1 CONTRACT COMPONENTS; INTERPRETATION OF CONTRACT

1.1 Definitions

Unless the context otherwise requires, capitalized terms used in this Contract have the meanings given in Exhibit 1.

1.2 Order of Precedence

1.2.1 Subject to Sections 1.2.2 through 1.2.5, in the event of any irreconcilable conflict, ambiguity or inconsistency between or among any of the provisions of this Contract, the following order of precedence, from highest to lowest, applies:

(a) For D&D Work that is not considered a public work:

1. Change Orders and Contract amendments;

2. Section 1 through Section 32, including all Exhibits, Schedules and Attachments to this Contract (excluding Exhibit 4);

3. Technical Provisions;

4. Exhibit 4; and

5. Proposal (excluding modifications to the Proposal in Exhibit 4).

(b) For D&D Work that is considered a public work, "Toll Services Standards" shall be listed as item "5" above, and the Proposal (excluding modifications to the Proposal in Exhibit 4) shall be renumbered as Item "6".

(c) For O&M Work or CSC Commencement Period Toll Services:

1. Change Orders and Contract amendments;

2. Section 1 through Section 32, including all Exhibits, Schedules and Attachments to this Contract (excluding Exhibit 4);

3. KPI Table;

4. Technical Provisions (including Agencies-approved Business Rules which, upon approval by Agencies, shall be incorporated into and become a part of the Technical Provisions) excluding the KPI Table;

5. Exhibit 4; and

6. Proposal (excluding modifications to the Proposal in Exhibit 4), including the 91 EL Transition Work Proposal included as Exhibit 25.

1.2.2 Except as directed by Agencies, in their sole discretion, any provisions of the Contract that establish a higher standard, quality, quantum or method of performance shall take precedence over provisions establishing a lower standard, quality, quantum or method of performance regardless of the order of precedence set out in Section 1.2.1(a), 1.2.1(b), or 1.2.1(c), as applicable.

1.2.3 Except as otherwise expressly provided in this Contract, where this Contract cites any Reference Document to define requirements of this Contract, the cited portion of the applicable Reference Document shall (a) be deemed incorporated into this Contract to the extent it is so cited, and (b) have the same order of priority as the part of the Contract where the citation occurs.

1.2.4 Incorporation of any part of the Proposal (including Exhibit 4, or the 91 EL Transition Work Proposal) into this Contract shall not (a) limit, modify, or alter Agencies' right to review and approve any Deliverables included in the Proposal (including the Preliminary Baseline Schedule) or (b) be deemed as acceptance or approval of any aspects of TSP's Proposal by the Agencies.

1.2.5 TSP shall not take advantage of or benefit from any apparent or actual Error, conflict, ambiguity or inconsistency in this Contract. If TSP becomes aware that the Toll Services to be performed or any matters with respect to the Toll Services are not sufficiently detailed, described or explained in this Contract or TSP becomes aware of any Error, conflict, ambiguity or inconsistency between or among the documents forming this Contract it shall promptly provide Notice to Agencies, including the item it considers should apply based on the applicable rules in Section 1.2. If (a) the conflict, ambiguity, inconsistency or Error cannot be reconciled by applying the applicable rules or (b) the Parties disagree about (i) which rule applies and/or (ii) the results of the application of such applicable rule(s), then Agencies will determine, in their good faith discretion, which of the conflicting items is to apply and provide Notice to TSP before TSP proceeds with the applicable aspect of the Toll Services.

1.3 Reference Documents

1.3.1 Subject to TSP's express rights under Section 20 or as set out in Section 1.2.3, TSP acknowledges and agrees that:

(a) The Reference Documents are not mandatory or binding on TSP and are provided without any representation or warranty by, or recourse to, Agencies;

(b) TSP may not rely on the Reference Documents as presenting a feasible, complete, accurate, viable or desirable technical, design, engineering, construction, system, deployment, integration, operations or maintenance solution, means or methods for complying with this Contract;

(c) Agencies are not liable for any Claim or Loss suffered by any TSP-Related Entity in connection with any information contained in the Reference Documents;

(d) To the extent TSP or anyone on TSP's behalf uses Reference Documents, any use is made on the basis that TSP, not Agencies, has approved and is liable for the Reference Documents;

(e) TSP is capable of conducting and obligated under this Contract to conduct any and all studies, analyses and investigations as it deems advisable to verify or supplement the Reference Documents; and

(f) Use of Reference Documents is entirely at TSP's own risk and at its own discretion.

1.4 No Liability Arising From Agencies' Actions

1.4.1 TSP acknowledges and agrees that Agencies'' rights under this Contract to review, comment on, approve, disapprove, monitor, inspect, test, accept or carry out any other act of Agencies in connection with any Deliverable or the Toll Services exist solely for the benefit and protection of Agencies or the Department (as applicable).

1.4.2 Agencies owe no obligation or duty of care to TSP to:

(a) Review, comment on, approve, disapprove, monitor, inspect, test, accept or carry out any other act or omission of Agencies in connection with any Deliverable or the Toll Services; or

(b) Inspect or review the Work for Nonconformances.

1.4.3 Failure of Agencies to review, comment on, approve, disapprove, monitor, inspect, test, accept or carry out any other act or omission of Agencies in connection with any Deliverable submitted by TSP or the Toll Services or inspect or review the Work for Nonconformances shall not:

(a) Relieve TSP from, or alter or affect, its liabilities, obligations or responsibilities under this Contract or otherwise at law;

(b) Prejudice Agencies' rights against TSP under this Contract or Governmental Rules;

(c) Be deemed or construed as any kind of representation or warranty, express or implied, by Agencies or be relied upon by TSP in determining whether TSP has satisfied the requirements of this Contract; or

(d) Be asserted against Agencies by TSP as a defense, legal or equitable, to TSP's obligation to satisfy the requirements of this Contract.

1.4.4 Notwithstanding the provisions of Section 1.4.1 through Section 1.4.3, (a) TSP may rely on specific written directions Agencies give under this Contract, (b) neither Agency is relieved from any liability in connection with a material misrepresentation under any written statement that Agency C knowingly and intentionally delivers, and (c) Agencies are not relieved from their obligations under this Contract.

1.5 Interpretation of Contract

1.5.1 Unless the context otherwise requires, in this Contract:

(a) Words in the singular include the plural and vice versa;

(b) A reference to a Section is a reference to the Section in the body of the Contract, Exhibit, Schedule or Attachment in which the reference appears;

(c) Words denoting any gender include all genders;

(d) The terms "hereby," "hereof," "herein," and any similar terms refer to this Contract;

(e) References to days are references to calendar days, except that if the date to perform falls on a non-Business Day, such act or notice may be performed on the next Business Day. Notwithstanding the foregoing, requirements in this Contract relating to actions to be taken in the event of an emergency and other requirements for which it is clear that performance is intended to occur on a non-Business Day, shall be required to be performed as specified, even though the date in question may fall on a non-Business Day;

(f) A reference to time is a reference to Pacific Time;

(g) The words "include", "includes" and including" will be read as if followed by the words "without limitation";

(h) The meaning of "or" will be that of the inclusive "or", that is meaning one, some, or all of a number of possibilities;

(i) A reference to any legislation (including any orders, regulations, by-laws, ordinances, orders, codes of practice or instruments made under the relevant legislation) or a provision within it includes any legislation or provision which amends, extends, consolidates or replaces such legislation or provision;

(j) References to Codes are to the codified laws of the State;

(k) A reference to any Governmental Entity includes a reference to any successor to such Governmental Entity or any organization or entity or organizations or entities which has or have taken over the functions or responsibilities of such Governmental Entity;

(l) A reference to any party or Person includes each of their legal representatives, trustees, executors, administrators, successors and permitted substitutes and assigns, including any person taking part by way of novation;

(m) A reference to a right includes any benefit, remedy, discretion, authority or power;

(n) A reference to an agreement, document, standard, principle or other instrument includes a reference to that agreement, document, standard, principle or instrument as amended, supplemented, substituted, novated or assigned;

(o) A reference to "$" is to United States Dollars;

(p) On plans, working drawings, and standard plans, calculated dimensions take precedence over scaled dimensions;

(q) The use of the word "remedy" or any form of it in this Contract means that the event to be remedied must be cured or its effects overcome;

(r) No rule of construction applies to the disadvantage of a party on the basis that the Party put forward or drafted this Contract or any part;

(s) Except as set forth in Section 1.7 or as otherwise expressly provided in this Contract, the term may, when used in the context of a power or right exercisable by RCTC, RCTC's Representative, OCTA or OCTA's Representative means that, as applicable, RCTC, RCTC's Representative, OCTA or OCTA's Representative can exercise that right or power in its sole and unfettered discretion and, as applicable, RCTC, RCTC's Representative, OCTA or OCTA's Representative has no obligation to TSP to do so;

(t) When a provision of this Contract relates to the 15 Express Lanes roadside system only, or to the D&D work for the 15 Express Lanes Southern Extension Project, if such work is awarded to TSP, reference in this Contract to "Agencies" or "Agency" shall be interpreted to refer to RCTC.

(u) When a provision of this Contract relates only to a separate OCTA or RCTC scope of work that may be included under this Contract, or any future amendments to this Contract,

reference in this Contract to “Agencies” or “Agency” shall be interpreted to refer to the applicable Agency.

(v) Except as set forth above: (i) when this Contract uses the term "Agencies", it refers to OCTA and RCTC, collectively, unless the context clearly indicates that it is referring to either the OCTA or RCTC, individually; and (ii) when this Contract uses the term "Agency", it refers to either OCTA or RCTC, unless the context clearly indicates that it refers to both Agencies.

(w) If this Contract requires calculation of an amount payable to a Party, there must be no double counting in calculating that amount; and

(x) RCTC’s interim or final answers to the questions posed during the Proposal process for the Original Contract do not form part of this Contract and shall not be relevant in interpreting this Contract except to the extent that RCTC believes that the Contract is ambiguous, in which case the interim or final answers may be used to clarify provisions otherwise considered ambiguous.

1.6 Referenced Standards and Specifications

1.6.1 Except as otherwise specified in this Contract or directed by Agencies, material and workmanship specified by the number, symbol or title of any standard established by reference to a described publication affecting any portion of the Toll Services shall comply with the latest edition or revision and amendments and supplements in effect on the Setting Date.

1.6.2 Where a change occurs to a Referenced Standard after the Setting Date, TSP shall give Notice to Agencies of such change within 20 Business Days of the change.

1.6.3 If, after such Notice, Agencies direct TSP to comply with the changed Referenced Standard (rather than with the Referenced Standard applicable at the Setting Date), then TSP shall comply with the Referenced Standard as changed. To the extent such compliance directly and materially impacts the Toll Services and would not have otherwise been taken into account by compliance with Good Industry Practice, TSP shall be entitled to a Change Order, subject to Section 19 and Section 20.

1.6.4 If Agencies direct TSP not to comply with the changed Referenced Standard (which direction may only be given where TSP is not otherwise legally obliged to comply with the changed Referenced Standard), then TSP shall continue to comply with the Referenced Standard applicable at the Setting Date.

1.6.5 Sections 1.6.2 through 1.6.4 shall not apply to Changes in Law.

1.6.6 In interpreting Referenced Standards, the following apply:

(a) References to the project owner shall mean RCTC as relates to the I-15 Express Lanes and the 91 Express Lanes in Riverside County, and OCTA as relates to the 91 Express Lanes in Orange County;

(b) References to an "engineer" or "Engineer" in which the engineer or Engineer determines compliance with the Referenced Standard(s) may mean TSP's D&D Quality Manager or O&M Quality Manager (as applicable) or similar representative or it may mean an Agency or Department representative, depending on the context, as determined by Agencies in their good faith discretion; and

(c) References to "plan(s)" shall mean all relevant parts of the Plans that TSP is required to deliver in accordance with TP Section 3 or otherwise in accordance in this Contract.

1.7 Standard for Approvals

If Agencies, or either of them, or TSP is required to provide an approval, consent or other determination under this Contract, such approvals, consents or determinations shall not be withheld unreasonably except in cases where a different standard (such as sole discretion) is specified. In cases where sole discretion is specified, the decision shall not be subject to dispute resolution under this Contract.

1.8 Federal Requirements

The D&D portion of the Toll Services for the I-15 Express Lanes were subject to federal statutes, rules and regulations applicable to work financed with federal funds. The O&M Work and the Refresh Work are not subject to federal funding requirements. In the event of any conflict, ambiguity or inconsistency between any applicable federal requirements and this Contract, if the federal funding requirements apply, the federal requirements shall prevail to the extent of the conflict, ambiguity or inconsistency.

SECTION 2 REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 TSP Representations, Warranties and Covenants

TSP represents, warrants and covenants that:

2.1.1 TSP and its Subcontractor(s) have, and throughout the Term shall maintain, all required professional ability, skills and capacity to perform the Toll Services in accordance with this Contract;

2.1.2 TSP will perform the Toll Services in accordance with this Contract;

2.1.3 TSP has evaluated the procedures under this Contract with respect to determining the Contract Price, Completion Deadlines, KPIs and Liquidated Damages and reasonably believes that (a) TSP can complete the D&D Work and the CSC Commencement Period Toll Services for the Total Capital Cost, (b) TSP can complete the O&M Work for the Total O&M Cost plus Pass Through Cost Items, (c) TSP can achieve the Completion Milestones by the applicable Completion Deadline(s) including furnishing such employees, materials, facilities and equipment and working such hours, extra shifts, overtime operations, Sundays and holidays as are permitted by this Contract and which may be necessary to achieve such goal, and (d) the Liquidated Damages provided for in this Contract are reasonable and do not constitute a penalty.

2.1.4 TSP has, in accordance with Good Industry Practice and prior to establishing the Contract Price, (i) reviewed any Toll Services-related information provided by Agencies, (ii) taken

appropriate steps to verify any such Toll Services-related information provided by Agencies, and (iii) familiarized itself with the Site and surrounding locations, including undertaking a Reasonable Investigation to the extent TSP deems necessary or advisable for performing its obligations under this Contract;

2.1.5 TSP has evaluated the Planned ROW Limits and other constraints affecting performance of the Toll Services and has reasonable grounds to believe and does believe that the TCS can be designed and deployed within such constraints;

2.1.6 The TCS Documentation and As-Built Technical Drawings accurately depict all governing and adjoining dimensions for the I-15 Express Lanes Project;

2.1.7 TSP will familiarize itself with all applicable Governmental Rules and the conditions of any relevant Governmental Approvals applicable to the Toll Services and has no reason to believe that any Governmental Approval required to be obtained by TSP will not be granted in due course and, thereafter, remain in effect so as to enable the Toll Services to proceed in accordance with this Contract;

2.1.8 TSP has knowledge of and experience with the Governmental Rule, industry standards and business practices in the State that must or should be followed in performing the Toll Services and in the Business Rules, and shall perform the Toll Services in accordance with such standards and practices;

2.1.9 All information it or its agents provides in connection with Section 29.2 is complete and accurate;

2.1.10 With respect to Intellectual Property:

(a) Except as provided in Sections 29.7, 29.8 and 29.9 with respect to certain identified Pre-Existing Software, Commercial Off-the-Shelf Software and Third Party Software licensed to Agencies, or either of them, TSP and its Subcontractors are and will be the sole author of all works employed by TSP in preparing any and all Software;

(b) TSP has and will have sufficient right to assign or grant the rights and/or licenses granted in the Intellectual Property in accordance with this Contract and acknowledges that all Intellectual Property that is used or developed in whole or in part for performance of the Toll Services shall be covered by the ownership and licensing requirements of Sections 29.7, 29.8 and 29.9;

(c) All Software, except any Pre-Existing Software and Commercial Off-the-Shelf Software, has not been and will not be used or published by or through any TSP-Related Entity under circumstances which have caused or will cause a loss of copyright, patent rights, trademark or other intellectual property right; and

(d) All Intellectual Property, including all Pre-Existing Software, does not and will not infringe any patents, copyrights, trademarks or other intellectual property rights (including trade secrets), privacy or similar rights of any third party, nor is or has any Claim (whether or not embodied in an action, past or present) of such infringement pending, been asserted or, to the

best of TSP's knowledge, been threatened against TSP (or, insofar as TSP is aware, any entity from which TSP has obtained such rights);

2.1.11 TSP is a corporation duly organized and validly existing under the laws of the State of Michigan, with all requisite power to own its properties and assets and carry on its business as now conducted or proposed to be conducted;

2.1.12 TSP is composed of Kapsch TrafficCom Transportation NA, Inc. TSP and each member of TSP are duly qualified to do business, and are in good standing, in the State, and will remain in good standing throughout the Term and for as long thereafter as any obligations remain outstanding under this Contract.

2.1.13 As of the Effective Date, TSP has full power, right and authority to execute, deliver and perform this Contract to which TSP is (or will be) a party and to perform each and all of the obligations of TSP provided for under this Contract;

2.1.14 Each person executing this Contract on behalf of TSP has been (or at the time of execution will be) duly authorized to execute and deliver each document to be executed on behalf of TSP; and this Contract and each document to which TSP is (or will be) a party have been (or will be) duly executed and delivered by TSP;

2.1.15 All required Governmental Approvals have been obtained with respect to the execution, delivery and performance of the Toll Services;

2.1.16 Performance of the Toll Services will not result in a breach of or a default under TSP's articles of incorporation, bylaws, or any indenture or loan or credit agreement or other material agreement, instrument, judgment or decree to which TSP is a party or by which its properties and assets may be bound or affected;

2.1.17 The award of this Contract by Agencies to TSP was based, in material part, on the qualifications and experience of the TSP personnel identified in Exhibit 2 and TSP's commitment that such individuals would be available to undertake and perform the Work and that and that all Key Personnel are available for and will fulfill the roles identified for them in connection with the Toll Services;

2.1.18 This Contract constitutes the legal, valid and binding obligation of TSP, enforceable against TSP in accordance with its terms;

2.1.19 There is no action, suit, proceeding, investigation or litigation pending and served on TSP which challenges: (i) TSP's authority to execute, deliver or perform, or the validity or enforceability of this Contract; (ii) TSP's assets, properties, or operations as they relate to the Toll Services; or (iii) the authority of TSP's official executing this Contract; and TSP has disclosed to Agencies any pending and un-served or threatened action, suit, proceeding, investigation or litigation with respect to such matters which TSP is aware of or should be aware of after reasonable inquiry and investigation;

2.1.20 Neither the execution and delivery by TSP of this Contract, nor the consummation of the transactions contemplated by this Contract, is (or at the time of execution will be) in conflict with

or has resulted or will result in a default under any agreement, judgment or decree to which TSP is a party or is bound;

2.1.21 The execution and delivery by TSP of this Contract, and the performance by TSP of its obligations under this Contract, will not conflict with any Governmental Rules applicable to TSP that are valid and in effect on the date of execution and delivery;

2.1.22 TSP is not in breach of any applicable Governmental Rule that would have a material adverse effect on the performance of any of its obligations under this Contract;

2.1.23 No consent of any party and no Governmental Approval is required to be made in connection with the execution, delivery and performance of this Contract, which has not already been obtained;

2.1.24 TSP acknowledges that tax-exempt bonds have been issued to finance a portion of the costs of the Toll Services and that Agencies have covenanted not to take or cause to be taken, or to omit to take or to cause not to be taken, any action the performance or omission of which would cause the interest on such bonds to be includable in gross income for federal income tax purposes;

2.1.25 TSP has not, in the past three (3) years, been convicted of or had a civil judgment rendered against it for (a) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (e.g. federal, state or local) transaction or public contract; (b) violation of federal or state antitrust statutes or (c) commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

2.1.26 TSP is not presently indicted for or otherwise criminally or civilly charged by a Governmental Entity with commission of any of the offenses enumerated in Section 2.1.25;

2.1.27 TSP has not, in the past three (3) years, had one or more public transactions (federal, state or local) terminated for cause or default;

2.1.28 TSP has not received any communication or notice (written or oral), whether from a governmental authority, employee, citizens group, or any other Person, that alleges that TSP is not in full compliance with all Governmental Rules and Governmental Approvals in connection with the Toll Services and, to the knowledge of DB Contractor, there are no circumstances that may prevent or interfere with full compliance in the future; and

2.1.29 TSP (i) is not in violation of (A) any applicable United States anti-money laundering laws, including those contained in the United States Bank Secrecy Act and the regulations promulgated thereunder; (B) any applicable economic sanction laws administered by Office of Foreign Assets Control of the United States Department of the Treasury (OFAC) or by the United States Department of State; or (C) any applicable United States anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal; and (ii) is not a Person (1A) that is charged with, or has reason to believe that he, she or it is under investigation for, any violation of any such laws; (2B) that has been convicted of any violation of, has been subject to civil penalties pursuant to, or had any of its property seized or forfeited under any such laws; (3C) that is named on the list of "Special Designated Nationals or Blocked Persons" maintained by OFAC (or any successor

United States government office or list), or any similar list maintained by the United States Department of State (or any successor United States government office or list); (4D) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by the TIFIA loan agreement and the other related documents under any other applicable Governmental Rule; (5E) that is owned, controlled by, or affiliated with any Person identified in clause (1A), (2B), (3C) or (4D) of this clause (ii); or (6F) that is in violation of any obligation to maintain appropriate internal controls as required by the Governmental Rules of the jurisdiction of such Person as are necessary to ensure compliance with the economic sanctions, laundering and anti-corruption laws of the United States and the jurisdiction where the Person resides, is domiciled or has its principal place of business.

2.2 Agency Representations, Warranties and Covenants

Each Agency represents, warrants and covenants, on its own behalf, that:

2.2.1 As of the Effective Date, Agency has full power, right and authority to execute, deliver and perform this Contract to which Agency is (or will be) a Party and to perform all of Agency's respective obligations under this Contract; and

2.2.2 Each person executing this Contract on behalf of each respective Agency has been (or at the time of execution will be) duly authorized to execute and deliver this Contract on behalf of that Agency; and

2.2.3 This Contract to which Agencies are (or will be) a Party have been (or will be) duly executed and delivered by each respective Agency. .

SECTION 3 TERM

3.1 Term of this Contract

Term of Contract. The term of this Contract amongst Agencies and TSP shall commence on the Effective Date of this Contract, and shall continue in effect through April 31, 2041.

3.2 General Provisions Applicable to Contract Term. :

(a) The End of Contract Transition Plan shall apply to the end of the Contract term specified in Section 3.1.

(b) The compensation payable to TSP by Agencies will be determined annually for each year (or partial year) by escalating the then-current monthly fixed and variable components of the O&M compensation specified in Exhibit 26 for the current year by an amount equal to the lesser of three percent (3%) through 2031, and five percent (5%) from 2031-2041. or the increase in the Consumer Price Index (CPI) Urban Wage Earners and Clerical Workers for Riverside-San Bernardino-Ontario County (All Items) for the then most recent full calendar year (January – December) rounded to the nearest whole cent (the Escalation Factor).

3.3 Option to Require Software Maintenance After Termination

3.3.1 Agencies may exercise the Software Maintenance Option, to require TSP to carry out the Software Maintenance for all, or any one or combination, of the CSC Software, the TMS Software and the ETC Software, on the terms and conditions set out in this Contract for the Software Maintenance Option Period.

3.3.2 Agencies may exercise the Software Maintenance Option by delivery of Notice to TSP up to 15 Business Days after the Expiry Date which Notice shall identify the proposed term for the Software Maintenance Option, not to exceed 5 years.

3.3.3 Except for the changes described in this Section 3.3 and as described in Section 16.1.7, if Agencies exercise the Software Maintenance Option, TSP shall continue to maintain the Software as required under the Contract and shall comply with all other applicable provisions of the Contract and TSP is not otherwise entitled to a Change Order or Directive Letter in relation to the exercise by RCTC or the Software Maintenance Option.

3.3.4 If Agencies exercise the Software Maintenance Option, the Parties shall in good faith attempt to agree upon the price for such services by reference to the itemized cost for elements of Work required for the relevant Software maintenance in the Price Sheets. If the Parties cannot agree, price shall be determined in accordance with the methodology for pricing Change Orders in Section 20 provided that during the pendency of such dispute, TSP shall perform the O&M Work necessary to maintain the Software.

3.3.5 If Agencies exercise the Software Maintenance Option, the provisions of this Section 3.3.4 and all provisions applicable to such Software shall survive termination of this Contract.

SECTION 4 GENERAL PROVISIONS APPLYING TO THE TOLL SERVICES

4.1 General Obligations for Toll Services

4.1.1 TSP shall perform the D&D Work and the CSC Commencement Services:

(a) In accordance with:

(i) The applicable Plans listed in TP Section 3;

(ii) The TCS Infrastructure Baseline Requirements in set forth in TP Section 19.7;

(iii) All applicable Governmental Rules (including Environmental Laws, the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), including any amendments, and the federal requirements in Exhibit 5), Governmental Approvals and Toll Services Standards;

(iv) Supplier warranties in the case of Equipment;

(v) Good Industry Practice;

(vi) All other requirements of this Contract; and

(b) So that it is free of Deviations that do not constitute RCTC approved Deviations.

4.1.2 Refresh Work

(a) TSP shall perform the Refresh Work in accordance with:

1. Exhibit 24, Refresh Scope of Work;

2. All provisions of the Contract related to D&D work, except as set forth in Exhibit 24, Refresh Scope of Work

(b) OCTA shall have input into the refresh of the CSC Host services, only, as specified in the Refresh scope of Work.

(c) RCTC shall be responsible for all costs for Refresh Work.

4.1.3 TSP shall ensure all Equipment used in the Toll Services shall be new when installed (unless TSP obtains Agencies' prior written approval of an alternative), complies with this Contract, is of good quality, free of Nonconformances and suitable for their purposes, objectives, functions, uses and requirements set out in or reasonably inferred from this Contract.

4.1.4 TSP shall, at all times from and after Revenue Service Commencement Date, ensure that the TCS, the Toll Services and the Work performed by TSP with respect to the ROC:

(a) Satisfy each of the purposes, objectives, functions, uses and requirements set out in or reasonably inferred from the Contract;

(b) Are capable of enabling TSP to perform the O&M Work in accordance with the Technical Provisions;

(c) Are free of Deviations that do not constitute Agencies' approved Deviations;

(d) Are in accordance with all applicable Governmental Rules (including Environmental Laws, the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), including any amendments, and the federal requirements in Exhibit 5) and Toll Services Standards; and

(e) Are in accordance with all other requirements of this Contract.

4.1.5 TSP shall timely submit all Deliverables required in accordance with TP Section 3, and all such Deliverables shall be accurate and complete as required under this Contract.

4.1.6 Except as otherwise expressly provided in this Contract, TSP:

(a) Accepts all risks in connection with delivering the Toll Services in accordance with this Contract; and

(b) Is not entitled to make any Claim against Agencies for any Losses in connection with the Toll Services or this Contract except as expressly provided in Section 20.

4.1.7 Whenever performance of the Toll Services creates a condition hazardous to the public, TSP shall furnish, erect and maintain such temporary railings, barricades, lights, signs, and other devices and take such other protective measures as are necessary to prevent accidents, damage or injury to the public, in accordance with applicable Toll Services Standards, and TSP's Health and Safety Plan, Transportation Management Plan, Roadside Safety Plan and Office Safety Plan, as applicable.

4.2 Coordination and Cooperation.

TSP acknowledges that:

4.2.1 Other Agencies Contractors may be working at or otherwise present on the Site during the performance of the Toll Services (Other Agencies Contractor Work);

4.2.2 The Other Agencies Contractor Work may interfere with TSP's use of certain facilities on or near the Site;

4.2.3 TSP shall cooperate with Agencies and Other Agencies Contractors in the performance of the Other Agencies Contractor Work as set out in TP Section 2.12;

4.2.4 TSP shall review and coordinate its activities under this Contract with the work schedules of Other Agencies Contractors performing the Other Agencies Contractor Work.

4.2.5 TSP shall perform the Toll Services so as not to:

(a) Enter upon, disturb or use any property of any person except with the express permission of, and in compliance with all requirements of, the owner of such property;

(b) Damage, close or obstruct any Utility installation, highway, road or other property unless and until all applicable Governmental Approvals have been obtained; or

(c) Disrupt or otherwise interfere with the operation of any telephone line, electric transmission line, improvement or structure unless otherwise specifically authorized by this Contract, applicable Governmental Rule or any Governmental Approval.

4.2.6 TSP shall cooperate and coordinate with Agencies and Agencies Parties with respect to the ongoing operation, maintenance, renewal and replacement of the I-15 Express Lanes Project and the 91-Express Lanes Project, as applicable, ,and other obligations under this Contract.

4.2.7 TSP shall cooperate with Agencies, Other Agencies Contractor's, Agencies 's consultants, and Governmental Entities with jurisdiction over the Toll Services in performing oversight and conducting inspections during the design development, installation, integration, deployment and testing, of the TCS and any other matters relating to the Toll Services. As part of this effort, TSP shall review and provide detailed and timely input on DB Contractor's Ready for Construction Plans.

4.2.8 If Agencies, Department, Local Agencies, or Utility Owners award or perform other, separate contracts or projects that affect the Work, TSP shall perform the Toll Services without interfering with or hindering the progress or completion of the work performed under such contracts or as part of such projects.

SECTION 5 ACCESS TO SITE; UTILITIES; ENVIRONMENTAL COMPLIANCE, GOVERNMENTAL APPROVALS AND EMERGENCIES

5.1 Access to Site prior to each Package Turnover

5.1.1 Access for D&D Work

(a) Where TSP requires access to any part of the Site, prior to any Package Turnover Deadline, TSP shall:

(i) Provide DB Contractor and RCTC with at least 72 hours prior written Notice of TSP's need to access the Site, and coordinate and cooperate with DB Contractor so as not to interfere with or adversely impact performance of the DB Work;

(ii) Obtain an encroachment permit rider providing TSP with access to the Site and comply with the requirements of such permit rider;

(iii) Comply with TSP's safety and security procedures;

(iv) Comply with DB Contractor's safety and security procedures and request DB Contractor's directions as to access to and occupancy of such areas; and

(v) Leave the Site in the same or better condition than exists at the time of accessing such area.

(b) Access to any part of the I-15 Corridor in connection with Package Turnover is addressed in Sections 8.8 and 8.9 and TP Section 4.6.4.

5.1.2 ROC Turnover

(a) RCTC shall provide TSP with access to the ROC at least 365 days prior to the Revenue Service Commencement Deadline indicated on the Baseline Schedule approved by RCTC following NTP2 in accordance with TP Section 2.6.4.2.

(b) RCTC shall give TSP at least 10 Business Days' prior Notice of the date on which RCTC's ROC Responsibilities will be achieved.

(c) RCTC shall give TSP further Notice when RCTC's ROC Responsibilities have been achieved.

(d) Upon delivery of RCTC's Notice under Section 5.1.2(b), TSP shall be entitled to up to 10 Business Days to conduct a walk-through inspection of the ROC as a result of which TSP shall identify any Punch List items remaining to be completed prior to delivery of the ROC to TSP.

(e) TSP shall provide Notice to RCTC certifying that RCTC's ROC Responsibilities have been achieved, with the exception of any Punch List Items remaining.

(f) TSP shall assume full responsibility for performing the Toll Services required at the ROC in accordance with this Contract, and for maintenance of the ROC as provided in TP Section 10.5 upon delivery of Notice under Section 5.1.2(f).

(g) If the Site is subject to a lease, RCTC shall provide TSP with a copy of such lease promptly after execution and TSP shall comply with all terms and provisions of such lease, except that RCTC shall pay the rent required under such lease directly to the lessor.

5.1.3 Access for O&M Work

(a) When performing O&M Work, TSP shall provide MOT and follow the requirements set forth in TP Section 16, including obtaining any encroachment permits required for such access and in the approved Maintenance Plan.

5.1.4 Risk of Obtaining Access to Additional Land.

(a) TSP is solely responsible for obtaining access to and from any areas outside of the Site to which access is required to perform the Toll Services. Agencies have no obligations or responsibilities with respect to the acquisition, maintenance or disposition of such property rights or interests, including the use of Agencies'' power of eminent domain.

(b) TSP shall comply with all applicable Governmental Rules in acquiring and maintaining or disposing of any such property rights or interests. TSP shall cause the documentation of any such property rights or interest to contain the grantor's express acknowledgment that Agencies have no liability with respect to such acquisition, maintenance or disposition.

5.1.5 No Exclusive Access

Except to the extent required in an Individual Test Plan approved by Agencies, Agencies are not required to provide TSP exclusive access to the Site and TSP shall allow Agencies, Other Agencies Contractors and Agencies Parties access to the Site.

5.2 Utilities

5.2.1 TSP shall review and verify the location of all Utilities shown on any Utility Strip Map provided by RCTC.

5.2.2 RCTC shall procure all Utilities required to perform the D&D Work as described in TP Section 2.12.1. RCTC shall bear the Cost of all Utilities incurred in order to perform such Work.

5.2.3 TSP shall work with RCTC, DB Contractor and any Contractors engaged by RCTC in connection with the ROC to ensure that all necessary Utilities enter the ROW at the junction box as described in TP Section 2.12.1.

5.2.4 Provided that RCTC has complied with its obligation to provide the electric services described as RCTC's responsibility in TP Section 2.12.1, TSP shall arrange for all Utility installations, hook-ups and service extensions that are required to perform the O&M Work, and

for coordination with Utility owners in accordance with the Demarcation Matrix and otherwise perform its obligations with respect to Utilities in the Contract.

5.2.5 Without limiting Section 19.1, TSP shall use its best efforts to minimize costs for which TSP is entitled to compensation relating to Utilities, including avoidance of an unidentified Utility where feasible rather than its removal and/or reinstallation in a new location.

5.2.6 Utilities required to operate the ETC and TMS System on the roadside will be in RCTC's name and paid directly by RCTC.

5.2.7 RCTC shall be responsible for payment of items contained in the commercial lease agreement for the ROC and for the toll-free and local CSC customer phone lines, and electricity, water, gas, and sewer accounts established in RCTC's name to serve the ROC, as set out in TP Sections 8.2.2 and 10.4.

5.2.8 TSP shall be responsible for obtaining and paying the cost of any other utility services that TSP may require for performance of the O&M Work.

5.2.9 OCTA shall be responsible for payment of items contained in the commercial lease agreement for the Anaheim Facility and for electricity, water, gas, and sewer accounts established in OCTA's name to serve the Anaheim Facilit

5.3 Hazardous Materials Management

5.3.1 Procedures for Hazardous Materials Management

(a) Except for Hazardous Materials Management undertaken by Department under Section 5.3.6, TSP shall manage, treat, handle, store, remediate, remove, transport (where applicable), document and dispose of all Hazardous Materials, including Contaminated Groundwater required under this Contract, in accordance with Governmental Rules, Governmental Approvals, TP and this Contract.

(b) If, in performing the Toll Services, TSP encounters material quantities of Hazardous Materials in connection with the Site or the Toll Services, TSP shall immediately:

(i) Notify Agencies by telephone or in person, to be followed immediately by Notice, with a copy of the Notice provided directly to Department; and

(ii) Except where TSP is required to take immediate action under this Contract or applicable Governmental Rules, stop Work in and secure the area.

(c) TSP's Notice under Section 5.3.1(a) shall:

(i) Specify the nature of the discovery, including, if possible, whether the potential Hazardous Material is HM-1 or HM-2;

(ii) Specify whether the Hazardous Material is located within Existing Department ROW; and

(iii) Advise Agencies of any obligation to notify any Governmental Entities under applicable Governmental Rules and Governmental Approvals.

(d) Except where TSP is required to take immediate action under this Contract or applicable Governmental Rules, TSP shall provide Agencies and Department with three (3) Business Days after Agencies receive Notice to inspect the area and consult with TSP about the recommended approach before any other action is taken that would inhibit Agencies' or Department's ability to ascertain the nature and extent of the discovery.

5.3.2 Agencies Response

(a) Upon receipt of Notice under Section 5.3.1(b) Agencies will:

(i) View the location and conduct such further investigation as Agencies, or either of them, deems appropriate; and

(ii) Use reasonable efforts to provide Notice to TSP within three (3) Business Days of receiving Notice under Section 5.3.1(b), as to whether Work should be resumed, whether further investigation is required, whether additional action is required to be undertaken by the TSP, or whether in Agencies' opinion the situation falls within the scope of Section 5.3.6.

(iii) If Hazardous Materials or Contaminated Groundwater is involved, Agencies' Notice under Section 5.3.1(b) shall describe the type of remediation measures, if any, that TSP is to undertake with respect to such Hazardous Materials or Contaminated Groundwater.

5.3.3 Notification to Agencies

(i) If any Governmental Approval or this Contract specifies a procedure to be followed that differs from the procedure in this Contract, TSP shall follow the procedure set forth in the Governmental Approval or this Contract in lieu of the procedure in this Section 5.3.

(ii) Agencies may require TSP to recommence Work in the area at any time, even though an investigation may still be ongoing. TSP shall promptly recommence Work in the area upon Notice from Agencies to do so. Upon recommencing Work, TSP shall follow all applicable procedures contained in this Contract and all other Governmental Rules with respect to such Work, consistent with Agencies' determination or preliminary determination regarding the nature of the material or condition and the basis upon which TSP may recommence Work.

5.3.4 TSP Action

(i) TSP shall take reasonable steps, including design modifications, installation and integration and O&M Work techniques, to avoid excavation or dewatering in areas with Hazardous Materials

(b) Where excavation or dewatering is unavoidable, TSP shall use appropriately trained personnel and shall select the most cost-effective approach to Hazardous Materials Management, unless otherwise directed by Agencies or Department. Wherever feasible and consistent with applicable Governmental Rules, contaminated soil and groundwater shall not be disposed off-site. All Hazardous Materials shall be managed in accordance with applicable

Governmental Rules, Governmental Approvals, the approved Plans required to be provided under TP Section 3, the Health and Safety Plan, Roadside Safety Plan, Office Safety Plan, the Installation Plan, and the Emergency Action Plan.

(c) For purposes of this Section 5.3, the term "material quantities" means quantities that trigger any reporting, investigation or remediation requirements under any Environmental Law.

(d) Each Subcontractor performing environmental remediation work shall have all necessary licenses including a Hazardous Substance Removal Certification from the State of California Contractors State License Board.

5.3.5 Hazardous Materials Generator

5.3.5.1 Subject to Sections 5.3.5.2 and 5.3.5.3, as between TSP and Agencies, and except as otherwise specified herein, RCTC shall be considered the generator of Hazardous Materials on the ROW in Riverside County and OCTA shall be considered the generator of Hazardous Materials on the ROW in Orange County as of the Effective Date.

5.3.5.2 Section 5.3.5.1 does not preclude or limit any rights that Agencies may have against third parties and/or prior owners, lessees, licensees and occupants of the ROW.

5.3.5.3 TSP shall be considered the generator of any Hazardous Materials on the ROW and shall be responsible for all Hazardous Materials Management Costs as a result of a TSP Release of Hazardous Materials.

5.3.6 HM-1 in Existing Department ROW

5.3.6.1 Pursuant to the terms of the Department Cooperative Agreement, to the extent such agreement is applicable, Department is responsible for Hazardous Materials Management of HM-1 discovered within the Existing Department ROW excluding any costs of testing to determine or such material is HM-1 which shall be borne by the TSP under this Contract. If HM-1 is discovered within the Existing Department ROW, Department may either (i) undertake the Hazardous Materials Management with Department forces or contractors or (ii) delegate the Hazardous Materials Management investigation work to Agencies.

5.3.6.2 Upon receipt of the Notice under Section 5.3.1(b), Department or its representative has three (3) Business Days to investigate and commence Hazardous Materials Management of any HM-1 located within the Existing Department ROW. Upon commencement of the applicable Hazardous Materials Management, Department has an additional seven (7) days to complete such Hazardous Materials Management.

5.3.6.3 During the period of Department's investigation and Hazardous Materials Management of any HM-1 discovered within the Existing Department ROW, TSP shall fully cooperate with Agencies to work around and re-sequence and redeploy around the area, including rescheduling Work so as to avoid any delay to the overall Toll Services.

5.4 Approvals and Government Entities

5.4.1 Agencies-Provided Approvals

Agencies will obtain and maintain all Agencies-Provided Approvals.

5.4.2 TSP Governmental Approval Obligations

TSP shall:

(a) Obtain and maintain all Governmental Approvals (excluding the Agencies-Provided Approvals), including all Governmental Approvals relating to Hazardous Materials Management as required under this Contract, including federal and State surface water and groundwater discharge permits and permits for recycling or reuse of Hazardous Materials required for performance of the Toll Services;

(b) Comply with all conditions imposed by all Governmental Approvals, including all environmental requirements, mitigation measures and conditions relating to the Toll Services; and

(c) Undertake all actions required by and all actions necessary to maintain in full force and effect all Governmental Approvals.

5.5 Assistance with Governmental Entities and Administrative Hearings and Lawsuits

5.5.1.1 TSP shall provide any assistance reasonably requested by Agencies: (a) to deal with Governmental Entities, (b) to prosecute and defend lawsuits, administrative hearings and other official proceedings, and (c) in any and all matters in connection with the Toll Services. In providing assistance, TSP shall provide TSP's staff and consultants to provide testimony and act as witnesses in such lawsuits and proceedings, provide information, reports, graphs, photos, plans, renderings, data, images and reports regarding the Toll Services, execute declarations and attend meetings and hearings. Agencies shall remit to TSP any amounts collected on TSP's behalf as a result of any such action or proceeding.

5.5.1.2 TSP shall contract with administrative hearing officer(s) and conduct administrative hearings, as a pass through cost, refer unpaid debt to collection agency services and flag vehicle registrations for non-renewal at the California DMV as described in TP Sections 6.9, 6.10, 8.6 and 8.7 and otherwise undertake collection and enforcement activities contemplated under applicable Governmental Rule and this Contract.

5.5.1.3 Except as expressly stated otherwise, this Section 5.5 is not intended to require TSP to provide legal services for the benefit of Agencies, except as required to escalate Violations and any assistance provided by Agencies shall not relieve TSP of its responsibility to comply with its obligations under this Contract.

5.6 Emergencies

5.6.1 If an Emergency arises, TSP shall:

(a) Immediately provide Notice to Agencies and implement the protocol for Emergencies in the Standard Operating Procedures;

(b) Subject to Section 5.6.1(c) and 5.6.1(d), act to prevent damage, injury or loss to persons, property or the TCS;

(c) Act in accordance with the applicable State emergency management plans and procedures as identified in the Reference Documents, or provided to or known to TSP for dealing with Emergencies at the 91 Express Lanes and I-15 Express Lanes Project;

(d) Comply with any Agencies direction with respect to the Emergency; and

(e) Permit Agencies or their respective nominees to remedy the Emergency in which case the Costs of remedy that relate to the Toll Services, shall, without limiting Agencies'' rights under Section 18.12, be due and payable from TSP to the applicable Agency upon demand.

5.6.2 Except as expressly provided in Section 20, any direction or action by Agencies under Section 5.6.1(d) or Section 5.6.1(e) shall not:

(a) Expose Agencies to any liability to any TSP-Related Entity or entitle TSP to any other remedy, it being acknowledged by TSP that Agencies have a paramount public interest in providing and maintaining public safety; and

(b) Limit or modify Agencies' rights to any Liquidated Damages that may arise out of such direction or action, which are in addition to the obligations to undertake and pay for such remedy.

SECTION 6 NOTICES TO PROCEED

6.1 Commencement of NTP1 Work

NTP1 was issued under the Original Contract on or about the Effective Date thereof.

6.2 NTP1 – The following provisions were applicable to NTP1 under the Original Contract, and were satisfied.

6.2.1 RCTC shall not issue NTP1 until the following requirements for the Toll Services have been satisfied:

(a) Satisfaction of all conditions to award and execution of this Contract set forth in the ITP; and

(b) TSP has provided to RCTC any other documents, things or assurances required by this Contract as a condition of NTP1.

6.2.2 TSP acknowledges and agrees that: (a) RCTC has no obligation to issue NTP1, and (b) unless and until NTP1 is issued, RCTC has no liability to TSP under this Contract.

6.3 Commencement of NTP2 Work

TSP shall not perform any NTP2 Work until issuance of NTP2. The following provisions were applicable to NTP2 under the Original Contract, and were satisfied.

6.4 NTP2

6.4.1 RCTC shall not issue NTP2 until the satisfaction of the following requirements for the Toll Services:

(a) If requested by RCTC in connection with closing on the financing required for the I-15 Express Lanes Project, TSP has submitted to RCTC any certificates, acknowledgments or collateral agreements reasonably required by RCTC or the Financing Entities;

(b) RCTC has closed all financing required for the I-15 Express Lanes Project;

(c) TSP has delivered to RCTC the Performance Bond required in accordance with Section 16.1.3;

(d) TSP has delivered to RCTC the Payment Bond required in accordance with Section 16.1.4;

(e) RCTC has approved any changes to the Key Personnel in accordance with Section 15.6.1;

(f) TSP has completed the NTP1 Work in accordance with this Contract;

(g) TSP has provided to RCTC the insurance policies, certificates of insurance, riders to its existing insurance policies or other evidence reasonably required by RCTC to confirm the existence of all the insurance coverages required for the NTP2 Work in accordance with Section 17; and

(h) TSP has provided to RCTC any other documents, things or assurances required by this Contract as a condition of NTP2.

6.4.2 TSP acknowledges and agrees that: (a) RCTC has no obligation to issue NTP2, and (b) except as set out in Section 18.2, unless and until NTP2 is issued, RCTC has no liability to TSP under this Contract, except with respect to the NTP1 Work.

6.5 Provisions from Original Contract.

As detailed in the recitals above, the Parties acknowledge and agree that provisions from the Original Contract related to the D&D Work and the Commencement Period including, but not limited to, various provisions included in Sections 4 through 8 of this Contract have been successfully completed. These provisions are being retained in this Contract, as originally drafted, as such provisions are applicable, in part, to the D&D Refresh Work, and may apply to future work, or to the enforcement of rights by RCTC or TSP related to such completed phases of the 15 Express Lanes Project.

6.6 NTP for 91 Express Lanes Consolidated Back Office Transition (NTP3)

TSP shall not perform any Work required to complete the 91 Express Lanes Consolidated Back Office Transition until issuance of the NTP for such Work. The provisions applicable to issuance of NTP3 are set forth in Exhibit 25.

SECTION 7 D&D WORK

7.1 Time of Essence and General Scope of D&D Work

7.1.1 TSP acknowledges that achieving the Completion Milestones by the relevant Completion Deadlines are of the essence of this Contract.

7.1.2 TSP shall perform the D&D Work on a turnkey basis in accordance with this Contract.

7.2 Monthly Progress Report.

TSP shall submit to RCTC for review and approval in accordance with the Submittal Process, a D&D Monthly Progress Report monthly during the D&D Phase.

7.3 Coordination of D&D Work

Without limiting TSP's obligations under this Contract, TSP shall cooperate and coordinate the D&D Work with the DB Contractor as set out in the Demarcation Matrix and otherwise in accordance with TP Section 2.12 and as may be necessary to avoid interference with the DB Work.

7.4 RCTC Review of D&D Work.

TSP shall provide RCTC with the opportunity to perform "over-the-shoulder" reviews of all aspects of the D&D Work. The over-the-shoulder reviews may be conducted in the office of TSP or its Subcontractors located in California and in the presence of TSP's relevant personnel. The over-the-shoulder reviews may be of design, progress prints, computer images, draft documents, interface documents, Software, working calculations, draft specifications or reports or other documents as determined by RCTC in connection with the D&D Work. RCTC shall reasonably coordinate with TSP in connection with such over-the-shoulder reviews in order to help TSP identify the appropriate RCTC personnel to be involved with such reviews. Section 1.4 applies to all over-the-shoulder reviews.

7.5 Colocation

7.5.1 RCTC will provide TSP with up to 3 office spaces or cubicles at the Co-located Office on or before NTP2.

7.5.2 TSP will ensure that Key Personnel are available to work at the Co-located Office as specified in TP Section 2.1.2.

7.6 Contractor Licenses for D&D Work.

7.6.1 To the extent required under applicable Governmental Rules, TSP shall:

(a) Prepare Installation Drawings for any civil construction elements of the D&D Work under the responsible charge of Registered Professional Engineers in the State, as applicable, and all such elements of the Installation Drawings shall be stamped by Registered Professional Engineers licensed in the State.

(b) Perform D&D Work at the Site with contractors licensed to perform work in the State, as appropriate; and

(c) Possess:

(i) A valid C10 (Electrical Contractor) license and possess or ensure a Subcontractor possesses a C7 (Low Voltage Systems Contractor) license or C31 (Construction Zone Traffic Control Contractor) license; or

(ii) A valid Class A California General Engineering Contractor License.

7.6.2 No Subcontractor may start any D&D Work until after RCTC receives a copy of such Subcontractor's valid State contractor license.

7.7 Procurement of Equipment.

TSP shall:

(a) Procure all Equipment required to perform the D&D Work;

(b) Perform any inspection, receipt, warehousing, expediting, quality surveillance, traffic, shipment, transportation and other services in connection with the procurement of Equipment under Section 7.7(a); and

(c) Clear Equipment through customs and take any other actions necessary to import such Equipment.

7.8 Spare Parts.

7.8.1 TSP shall procure, inventory and store all spare parts at the ROC (or secure warehouse facility provided by RCTC) in accordance with TP Section 16.15.

7.8.2 The Total D&D Cost includes all spare parts required for the initial inventory prior to Revenue Service Commencement as described in TP Section 16.15. TSP's anticipated spare parts for each year of the O&M Term are specified in Exhibit 3, but such exhibit shall not limit TSP's responsibility for providing Components as required by this Contract and to perform the Toll Services.

7.8.3 If, at any time, Agencies determine, in their sole discretion, that the rate of failure or time taken to acquire replacements of spare parts indicates that the level of inventory maintained with reference to the Maintenance Plan is insufficient to ensure the continuous operation of the TCS or performance of the Toll Services in accordance with this Contract, Agencies may direct TSP to increase the spare parts inventory level within a reasonable time, at TSP's Cost.

7.8.4 TSP shall ensure that all spare parts held in TSP's inventory are new, when installed and fully tested and maintained in good operating condition at all times during the O&M Term. TSP shall promptly return rejected or failed items under warranty to the Supplier for credit or replacement.

7.9 Integration with DB Work

7.9.1 TSP shall:

(a) Comply with its obligations to coordinate and cooperate with DB Contractor in accordance with Section 4.2, TP Section 2.12 and the Demarcation Matrix;

(b) If requested by RCTC, (i) review and comment on submissions DB Contractor makes to RCTC under the DB Contract or inspect any work RCTC is required to inspect under the DB Contract, and (ii) provide written comments to RCTC, in the form requested by RCTC, no later than two Business Days before RCTC is required to respond to the applicable submission or inspection under DB Contract, or if the DB Contract provides no applicable response time, ten Business Days after RCTC makes the request.

(c) Promptly provide DB Contractor requested information in connection with D&D Work;

(d) Participate with and assist RCTC in inspection, testing and acceptance of elements of the DB Work that interface or integrate with the D&D Work;

(e) Except as otherwise expressly provided under this Contract, prior to proceeding with that portion of the D&D Work that depends on performance of the DB Work, inspect and promptly report to RCTC any defects in such DB Work that impact proper execution of the D&D Work; and

(f) Subject to Section 7.9.3 and notwithstanding the division of responsibilities as shown in the Demarcation Matrix, be responsible for validating that all of the D&D Work integrates with the DB Work and any other work performed by others to produce a comprehensive TCS that is in accordance with this Contract, including providing the TSP Ready for Construction Certification pursuant to Section 8.7 and completion of the Civil Site Acceptance Checklist and the Communications Network Acceptance Checklist pursuant to Section 8.9.4.

7.9.2 RCTC shall reasonably coordinate with TSP in connection with any inspections required under Section 7.9.1(d) and shall reasonably attempt to have such inspections done reasonably efficiently.

7.9.3 TSP shall not have any liability with respect to the design, construction and performance of the portions of DB Work undertaken by DB Contractor provided TSP has undertaken the D&D Work in compliance with this Contract, including its obligations under this Section 7.9 and Section 4.2. and further provided that once TSP has obtained RCTC approval of the TCS Infrastructure Design Document, any changes to the TCS Infrastructure Design Document shall be subject to RCTC approval, in its sole discretion, and shall not entitle TSP to any Claim, Change or Change Order.

7.10 Prevailing Wage.

7.10.1 TSP shall comply and cause its Subcontractors performing D&D Work that is construction of public works under applicable Governmental Rules to comply with:

(a) All Governmental Rules, regarding notice and posting of intent to pay prevailing wages, of prevailing wage requirements and of prevailing wage rates;

(b) All applicable requirements of Division 2, Part 7, Chapter 1 of the Labor Code and all applicable Federal Requirements respecting prevailing wages, including those in Attachments 2 and 3 to Exhibit 5 and in Exhibit 10. If there is a difference between the minimum wage rates predetermined by the United States Secretary of Labor and the general prevailing wage rates determined by the director of the DIR for similar classifications of labor, TSP and Subcontractors shall pay not less than the higher wage rate. The DIR will not accept lower State wage rates not specifically included in the Federal minimum wage determinations. This includes "helper" (or other classifications based on hours of experience) or any other classification not appearing in the Federal wage determinations. Where Federal wage determinations do not contain the State wage rate determination otherwise available for use by TSP and Subcontractors, TSP and Subcontractors shall pay not less than the Federal minimum wage rate which most closely approximates the duties of the employees in question.

(c) If it is found that a laborer or mechanic employed by TSP or a Subcontractor has been or is being paid a rate of wages less than the rate of wages required by this Contract to be paid, RCTC may declare a TSP Event of Default under Section 23.1.5.

7.11 Labor Code Requirements

7.11.1 TSP shall:

(a) Comply and cause its Subcontractors performing D&D Work that is construction of public works under applicable Governmental Rules to comply with applicable provisions of the Labor Code and implementing regulations, including requirements with respect to prevailing

wages, and employment and training of apprentices, labor nondiscrimination and applicable federal requirements as described in Exhibits 5 and 10; and

(b) Monitor and enforce prevailing wage requirements of applicable labor Governmental Rules to insure that all contractors performing the Toll Services are in compliance with State (Division 2, Part 7, Chapter 1 of the Labor Code) and Federal (Code of Federal Regulations 29) prevailing wage statutes and regulations.

7.11.2 TSP is subject to compliance monitoring and enforcement by the California Department of Industrial Relations (DIR) as set forth in Title 8, Chapter 8, Subchapter 4.5 of the California Code of Regulations, which include, among other requirements, the obligation to furnish payroll records directly to the DIR Labor Commissioner.

7.11.3 Refer to Exhibit 10 for information regarding labor compliance requirements applicable to the Contract under Labor Code Section 1776.

7.11.4 Pursuant to Labor Code section 1725.5, no Subcontractor may be listed on a bid or proposal for a public works project unless registered with the DIR with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a). No contractor or

Subcontractor may be awarded a contract for public work on a public works project unless registered with the DIR.

7.11.5 TSP shall post a Notice at the Site containing the following language:

> "This public works project is subject to monitoring and investigative activities by the Division of Labor Standards Enforcement (DLSE) and the Department of Industrial Relations (DIR), State of California. This Notice is intended to provide information to all workers employed in the execution of the contract for public work and to all contractors and other persons having access to the job site to ensure compliance with and enforcement of prevailing wage laws on public works projects.
>
> The prevailing wage laws require that all workers be paid at least the minimum hourly wage as determined by DIR for the specific classification (or type of work) performed by workers on the Project. These rates are listed on a separate job site posting of minimum prevailing rates required to be maintained by the public entity which awarded the public works contract. Complaints concerning nonpayment of the required minimum wage rates to workers on this Project may be filed with the office of the DLSE.
>
> Complaints should be filed in writing immediately upon discovery of any violations of the prevailing wage laws due to the short period of time following the completion of the I-15 Express Lanes Project and the Toll Services that the DLSE may take legal action against those responsible.
>
> Complaints should contain details about the violations alleged (for example, wrong rate paid, not all hours paid, overtime rate not paid for hours worked in excess of 8 hours per day or 40 per week, etc.) as well as the name of the employer, the public entity which awarded the public works contract, and the location and name of the I-15 Express Lanes Project.
>
> For general information concerning the prevailing wage laws and how to file a complaint concerning any violation of these prevailing wage laws, you may contact any DLSE office. Complaint forms are also available at the Department of Industrial Relations website found at www.dir.ca.gov/dlse/PublicWorks.html"

7.11.6 By entering into this Contract, TSP makes the following certification to Agencies pursuant to Labor Code Section 1861:

> "I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract."

7.12 Notice of Labor Dispute

Whenever TSP has knowledge that any actual or potential labor dispute may delay its performance under this Contract, TSP shall immediately notify and submit all relevant information to Agencies. TSP shall ensure that a comparable requirement is included in each Subcontract as to which a labor dispute may delay performance under this Contract, requiring each Subcontractor to give notice and information to the next higher tier Subcontractor (or to TSP, if it is a direct Subcontract).

7.13 Lobbying

The certification and disclosure of lobbying activities described in Exhibit 5 shall be included in each Subcontract (including any lower-tier Subcontracts exceeding $100,000) for the D&D Work. All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by RCTC's Procurement Manager.

7.14 Federal On-the-Job Training Participation Goal

The D&D Work is subject to Federal on-the-job training (OJT) participation provisions as set forth in the Department Local Assistance Procedures Manual, Title 23 CFR, Part 230, and FHWA Form 1273 (Exhibit 5). The Federal OJT participation goal for the Project is zero trainees.

7.15 Payment to Subcontractors.

7.15.1 Within seven (7) days of receipt of payment from Agency on account of a Subcontractor's portion of the Toll Services, TSP shall pay such Subcontractor the amount to which such Subcontractor is entitled. Each Subcontract shall require the Subcontractor to make payments to sub-subcontractors and Suppliers in a similar manner.

7.15.2 Any breach of Section 7.15.1 shall subject TSP to the penalties, sanctions and other rights specified in Section 7108.5 of the Business and Professions Code, and may result in the application of appropriate administrative sanctions, including Agencies' right to withhold two (2) percent of the invoice amount due to TSP as a penalty for every month that full payment is not made to a Subcontractor.

7.15.3 This Section 7.15 shall not limit or impair any contractual, administrative, judicial or equitable rights otherwise available to TSP or any Subcontractor against each other in the event of a dispute involving late payment or nonpayment by TSP or deficient Subcontract performance or noncompliance by a Subcontractor.

7.15.4 Agencies have no obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by applicable Governmental Rules.

7.15.5 Any delay or postponement of payments to Subcontractors from the requirements of Section 7.15.1 may occur only for good cause following written approval by Agencies, in their sole discretion.

7.16 Suspension and Debarment.

7.16.1 Pursuant to Public Contract Code Section 6109, TSP shall not perform the Work with a Subcontractor who is ineligible to perform work pursuant to Section 1777.1 or 1777.7 of the Labor Code. By entering into this Contract, TSP certifies that neither it nor its principals are presently

debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into this Contract by any federal agency or by any department, agency or political subdivision of the State. For purposes of this Section 7.16, the term "principal" means an officer, director, owner, partner, Key Personnel, employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of TSP.

7.16.2 No later than January 31 of each year of the Term, TSP shall deliver to Agencies signed certifications regarding suspension, debarment, ineligibility, voluntary exclusion, convictions and civil judgments from TSP, from each affiliate of TSP (as "affiliate" is defined in 29 CFR § 16.105 or successor regulation of similar import), and from each Subcontractor whose contract amount equals or exceeds $100,000. The annual certification shall be substantially in the form of clauses 1.a through 1.d of Attachment 6 to Exhibit 5.

7.17 Cleaning Up.

In performing the D&D Work, TSP shall keep the Site occupied by TSP in a neat, clean and safe condition. Upon completion of any portion of the D&D Work, TSP shall promptly remove from the Site all equipment, temporary structures, and surplus materials not required to be used at or near the same location during later stages of the D&D Work.

7.18 Safety and Security

TSP shall:

(a) Be responsible for safety and security of its own personnel, persons visiting or working in the ROC, D&D Work, CSC Commencement Period Toll Services and Equipment in accordance with the Health and Safety Plan, Roadside Safety Plan, Office Safety Plan, and such other safety precautions as are reasonably required by DB Contractor's safety plan

(b) Act to prevent threatened damage, injury or loss of property and life; and

(c) Be responsible for the safety and security of any other persons involved in the testing activities outlined in TP Section 5.

7.19 Title

7.19.1 Subject to Sections 29.7, 29.8 and 29.9 (i) TSP warrants that it owns, or will own, and has, or will have, good and marketable title to all Equipment, Hardware and Software furnished, or to be furnished, by it and its Subcontractors under this Contract, free and clear of all Liens; and (ii) title to Equipment, Hardware and Software which has been delivered to the Site that becomes part of the TCS or used in connection with the Toll Services, or that is delivered to a secure storage area pending delivery to the Site or use in connection with the Toll Services, shall pass to Agencies free and clear of all Liens, upon the sooner of (x) incorporation into the Toll Services, or (y) payment by Agencies to TSP of invoiced amounts pertaining to such Equipment, Hardware and Software.

7.19.2 Notwithstanding that title shall pass to Agencies as set forth in this section and except as set forth in Section 20, TSP shall:

(a) Retain sole care, custody and control of such Equipment, Hardware and Software and exercise due care with respect to such Equipment, Hardware and Software through and until the Expiry Date; and

(b) Remain solely responsible and liable for risk of loss to such Equipment, Hardware and Software as set forth in Section 7.20 and 9.1.1(b).

7.20 Maintenance During Performance of D&D Work

During performance of the D&D Work, TSP shall maintain, rebuild, repair, restore or replace:

(a) All D&D Work, including Equipment, Hardware, Software or Toll Infrastructure (excluding any elements of the Toll Infrastructure that are DB Work) that is damaged prior to the commencement of the O&M Term, regardless of who has title to such Equipment, Hardware or Toll Infrastructure under this Contract and regardless of the cause of the damage; and

(b) If directed to do so by RCTC, any aspect of the DB Work that is damaged prior to the commencement of the O&M Term, where such damage is caused by an act or omission by any TSP-Related Entity or any TSP Fault. If RCTC does not direct TSP to make such repairs, the necessary repairs will be made by DB Contractor and shall be due and payable from TSP to RCTC upon demand.

SECTION 8 D&D WORK SCHEDULE, COMPLETION AND ACCEPTANCE

8.1 Completion Deadlines

TSP shall carry out the D&D Work so as to achieve each of the Completion Milestones by the applicable Completion Deadlines.

8.2 Project Schedule

8.2.1 TSP shall undertake the D&D Work in accordance with the Project Schedule.

8.2.2 TSP shall prepare and submit Project Schedule deliverables to RCTC within the times specified in TP Section 2.6.4 for review and approval in accordance with the Submittal Process. The Project Schedule shall be used by the Parties for planning and monitoring the progress of the D&D Work.

8.3 Baseline Schedule and Project Schedule

8.3.1 TSP shall use the Preliminary Baseline Schedule as a foundation to prepare the Baseline Schedule to be submitted in accordance with TP Section 2.6.4.2 provided, however, that RCTC's acceptance of TSP's Proposal and award and execution of the TSP Contract shall not be construed as RCTC approval of TSP's Preliminary Baseline Schedule or any subsequent Project Schedule.

8.3.2 TSP shall initially incorporate the schedule milestones, projected dates for achievement of Payment Milestones and Completion Milestones into its proposed Baseline Schedule in accordance with the methodology described in TP Sections 2.6.4.1 and 2.6.4.2.

8.3.3 Upon issuance of NTP1, TSP will update the Preliminary Baseline Schedule to include hard calendar dates as described in TP Sections 2.6.4.1.

8.3.4 Upon issuance of NTP2, TSP will update the Baseline Schedule to include hard calendar dates as described in TP Sections 2.6.4.2, including specifying the hard calendar date for each of the Completion Deadlines to be approved by RCTC and incorporated into the Baseline Schedule by TSP.

8.3.5 Notwithstanding that TSP may have completed one or more Payment Milestones or Completion Milestones, TSP has no right to receive payments until such time as TSP has prepared and RCTC has approved the Baseline Schedule.

8.3.6 The Baseline Schedule shall be updated monthly or as required to become the Project Schedule submitted by TSP pursuant to TP Section 2.6.4.3, and any approved Recovery Plan schedules submitted by TSP pursuant to TP Section 2.4.6.5.

8.3.7 The schedule for the 91 Express Lanes Consolidated Back Office Transition is as set forth in Exhibit 25.

8.4 Float

8.4.1 All Float contained in the Project Schedule, or generated after RCTC's approval of the Preliminary Baseline Schedule, shall be a Project resource available to either Party or all Parties, as needed, to absorb delays caused by any event and to achieve schedule milestones, interim completion dates, and/or Completion Deadlines.

8.4.2 All Float shall be shown as such in the Project Schedule and on each applicable schedule path. Agencies shall consider TSP's identification of (or failure to identify) Float on the Project Schedule in determining whether to approve the Project Schedule. Once identified, TSP shall monitor, account for and maintain Float in accordance with CPM.

8.5 Extensions of Time

The Completion Deadlines shall not be modified except by Change Order in accordance with Section 20.

8.6 Progress Reports and Notices

8.6.1 TSP shall provide Agencies all progress and other reports specified in this Contract together with any further information Agencies may reasonably require to verify actual progress and to predict future progress of the Toll Services.

8.6.2 If TSP considers that the D&D Work or the 91 EL Transition Work will not be performed consistent with the milestone dates in the Project Schedule or the Completion Deadlines, TSP shall promptly provide Notice to Agencies.

8.6.3 Within 30 days after the earlier of (i) receipt of TSP's Notice under Section 8.6.2 or (ii) Agencies' Notice to TSP that it reasonably believes that the D&D Work or 91 EL Transition Work,

as applicable, will not be performed consistent with the milestone dates set forth in the Project Schedule or the Completion Deadlines, TSP shall (i) demonstrate to Agencies' reasonable satisfaction that the delay will have no adverse effect on TSP's ability to complete the applicable Work in accordance with the applicable Completion Deadlines, even though other milestone dates may be missed, or (ii) submit for Agencies'review and approval, in accordance with the Submittal Process, a Recovery Plan for restoring the impacted Completion Milestones and/or milestone dates set forth in the Project Schedule to a state of compliance as specified in TP Section 2.6.4.5.

(a) If a Recovery Plan is submitted under Section 8.6.3, TSP shall promptly comply with the approved Recovery Plan. If TSP does not comply with the approved Recovery Plan, Agencies may require an increase in TSP's resources. Failure of TSP to comply with this Section 8.6 may be grounds for determination by Agencies that TSP is not prosecuting the D&D Work or 91 EL Transition Work, as applicable, with the diligence required to ensure completion in accordance with this Contract and RCTC may exercise its rights for a TSP Event of Default in Section 23.

8.7 Ready for Construction Plans

8.7.1 TSP shall review DB Contractor's Ready for Construction Plans, and within 5 Business Days after receipt of such Ready for Construction Plans TSP shall either (i) deliver the TSP Ready For Construction Certification to RCTC and DB Contractor, or (ii) provide RCTC and DB Contractor with a Notice specifying in detail the reasons why TSP has determined that it cannot issue the Ready for Construction Certification.

8.7.2 TSP shall have 5 Business Days to review and comment on any revised Ready for Construction Plans, and the process noted in Sections 8.7.1(i) and (ii) shall repeat until TSP provides the TSP Ready for Construction Certification.

8.7.3 TSP's failure to respond to a request for TSP Ready for Construction Certification within the designated time frames shall be deemed TSP's agreement that the conditions that TSP is required to represent in a TSP Ready for Construction Certificate exist and the TSP Ready for Construction Certificate shall be deemed to have been given. Disagreement between or among TSP, RCTC and DB Contractor regarding approval of the TSP Ready for Construction Certification may be submitted to dispute resolution pursuant to Section 27.

8.8 Coordination of Work in Turnover Areas with DB Contractor

8.8.1 The 15 Express Lanes Project is comprised of eight Turnover Areas, each consisting of one Toll Zone and certain Equipment and civil infrastructure required for TSP to install the TCS.

8.8.2 TSP is responsible for coordinating the performance of the D&D Work with the DB Work to be performed by DB Contractor in accordance with Sections 8.8 and 8.9 and TP Section 2.12.

8.8.3 Commencing 180 days before any anticipated Package Turnover Deadline, DB Contractor shall provide TSP monthly Notices setting out the anticipated date for each Package Turnover and the anticipated Turnover Areas to be included in the applicable Package Turnover.

8.8.4 DB Contractor may change the Turnover Area(s) to be included in each Package Turnover up to, but no later than, 90 days before the applicable Package Turnover Deadline.

8.8.5 TSP shall review and continually update and adjust performance of the D&D Work to coordinate with DB Contractor's monthly Notices regarding anticipated Package Turnover Dates and which Turnover Areas will be included in each Package.

8.9 Notice and Inspection of Package Turnover

8.9.1 RCTC shall require DB Contractor to give RCTC and TSP at least ten (10) Business Days prior Notice of the date on which DB Contractor believes it will achieve each Package Turnover.

8.9.2 During the ten (10) Business Day period following TSP's receipt of Notice under Section 8.9.1, TSP shall meet and confer with DB Contractor and RCTC on a regular and cooperative basis to exchange information, with the goal being orderly and timely inspection of the DB Work comprising the applicable Package Turnover to determine whether Package Turnover has been achieved. TSP may perform field visits during DB Contractor's performance of its work, but TSP shall not perform Package Turnover inspection until DB Contractor has delivered the additional Notice under Section 8.9.3.

8.9.3 RCTC shall require DB Contractor to give RCTC and TSP further Notice when DB Contractor determines it has achieved each Package Turnover.

8.9.4 Upon receipt of DB Contractor's Notice under Section 8.9.3 that DB Contractor has achieved a Package Turnover, TSP and RCTC shall have 10 Business Days to conduct a walk-through inspection of each Turnover Area in the Package, TSP shall complete a Civil Site Acceptance Checklist and Communications Network Acceptance Checklist (as applicable) for each Turnover Area, and TSP and RCTC shall jointly complete a Package Turnover Checklist. Within 2 Business Days of such walk-through inspection, TSP shall provide Notice to RCTC of any Punch-List Items, that, in TSP's reasonable opinion, remain to be completed prior to RCTC's determination that the applicable Package Turnover is achieved.

8.9.5 TSP and RCTC shall meet and confer to evaluate the Punch List within 2 Business Days of TSP's Punch List Notice to RCTC. Failure of TSP to provide Notice of any Punch-List Items, and to deliver the Civil Site Acceptance Checklist and the Communications Network Acceptance Checklist (as applicable) within 2 Business Day after the walk-through inspection shall constitute TSP's confirmation that Package Turnover has occurred and that TSP has accepted the Package.

8.9.6 RCTC shall provide Notice to DB Contractor of the items in TSP's Punch List that RCTC concurs must be completed before it will issue a Certificate of Package Turnover pursuant to Section 8.9.7. The process in Sections 8.9.1 through 8.9.6 shall repeat until RCTC determines that DB Contractor has completed the Punch List and achieved Package Turnover.

8.9.7 Upon RCTC's determination, in accordance with the process set forth in Sections 8.9.1 through 8.9.6 that DB Contractor has achieved each Package Turnover, RCTC shall issue a Certificate of Package Turnover to DB Contractor and TSP.

8.9.8 If TSP disagrees with RCTC's issuance of a TSP Certificate of Package Turnover under Section 8.9.7 either party may issue a Notice for dispute resolution under Section 27.2.2 within 10 Business Days. Failure of TSP to provide such Notice shall constitute TSP's confirmation that the Package Turnover has occurred and that TSP has accepted the Package.

8.9.9 Regardless of when the actual Package Turnover Dates occur, TSP shall be entitled to the following durations to complete its D&D Work in the applicable Turnover Areas:

Package 1: 180 days;

Package 2: 120 days;

Package 3: 90 days; and Package 4: 60 days.

8.10 MOT and Access

Commencing on the applicable Package Turnover Date:

8.10.1.1 TSP shall be responsible for Lane Closures and shall have primary access and priority for Lane Closures in each Package as set out in TP Section 4.7; and

8.10.1.2 TSP shall provide DB Contractor with reasonable access to such Turnover Area, and shall coordinate with, DB Contractor and allow DB Contractor to stripe and complete punch list work and any other work that DB Contractor is required to undertake as part of the DB Work.

8.11 CSC Commencement

8.11.1 TSP shall provide RCTC with at least 10 Business Days' advance Notice of the date that TSP considers it will achieve CSC Commencement. During such 10 Business Day period, TSP and RCTC shall meet and confer and exchange information on a regular cooperative basis with the goal being RCTC's orderly, timely inspection and review of the D&D Work relating to CSC Commencement to determine whether CSC Commencement has been achieved.

8.11.2 TSP shall provide RCTC with a second Notice when TSP believes it has achieved CSC Commencement.

8.11.3 Within 10 Business Days after RCTC's receipt of TSP's Notice under Section 8.11.2, but not fewer than 15 Business Days after the original Notice under Section 8.11.1, or such sooner date as RCTC determines that TSP has achieved CSC Commencement, RCTC shall (i) issue a Notice of CSC Commencement or (ii) provide Notice to TSP listing the work which, in RCTC's opinion, remains to be performed to achieve CSC Commencement together with any Punch List Items.

8.11.4 TSP shall give Notice to RCTC when TSP considers that the work listed in a Notice issued by RCTC under Section 8.11.3 (ii) has been completed (excluding Punch List Items) and Sections 8.11.3 and 8.11.4 will apply to such Notice, including RCTC inspection and review rights, in the same way as if it were the original Notice. The process shall be repeated until such time as RCTC issues a Notice of CSC Commencement.

8.11.5 TSP shall not commence CSC Commencement Period Toll Services until the date specified by RCTC for start of the CSC Commencement Period in RCTC's Notice of CSC Commencement.

8.11.6 In RCTC's sole discretion, the date specified for start of the CSC Commencement Period may differ from the CSC Commencement Date even if TSP has achieved CSC Commencement by the CSC Commencement Deadline.

8.12 Testing Prior to Revenue Service Commencement

8.12.1 Without limiting Section 29.5, TSP shall:

(a) Conduct the (i) Commissioning Testing as required by TP Sections 5.4 and 5.5; (ii) Disaster Recovery and Back-up Test as required by TP Section 5.6; and (iii) Operations Tests as required by TP Section 5.6 and obtain RCTC's written approval, in accordance with the Submittal Process, of the test results on or before the milestone dates for such testing indicated in the Project Schedule; and

(b) Provide Notice to RCTC of any Nonconformances in the D&D Work performed by TSP under this Contract demonstrated by such Commissioning Tests, and promptly remedy any such Nonconformance(s).

8.12.2 Upon satisfactory completion of each Commissioning Test, Disaster Recovery and Back-up Test and Operations Tests TSP shall provide Notice to RCTC that the D&D Work has satisfactorily completed such tests in accordance with this Contract. Such certificates shall include TSP's acknowledgment that TSP assumes full responsibility for the continued operation and maintenance of the TCS and the ROC, in accordance with this Contract.

8.12.3 All operating personnel required for the Commissioning Tests, Disaster Recovery and Back-up Test and Operations Tests shall be supplied by TSP and all testing inputs, services and facilities required to conduct such tests shall be the responsibility of TSP.

8.12.4 The test results of each Commissioning Test, Disaster Recovery and Back-up Test and Operations Tests shall be compiled in a test report submitted by TSP to RCTC for review and approval in accordance with the Submittal Process.

8.13 Revenue Service Commencement

8.13.1 Coordination with DB Contractor TSP shall coordinate with and provide the TCS Infrastructure Design Document to DB Contractor in accordance with TP Section 4.2.

8.13.2 Process for Determining Revenue Service Commencement

(a) TSP shall provide RCTC at least 10 Business Days' prior Notice of the date TSP determines it will achieve Revenue Service Commencement. During such 10 Business Day period, TSP and RCTC shall meet and confer and exchange information on a regular cooperative basis with the goal being RCTC's orderly, timely inspection and review of the Toll Services pertaining to Revenue Service Commencement.

(b) TSP shall provide RCTC a second Notice when TSP believes it has achieved Revenue Service Commencement.

(c) Within 10 Business Days after the Notice under Section 8.13.2(b), but not fewer than 15 Business Days after the original Notice under Section 8.13.2(a), or such sooner date as

RCTC determines that TSP has achieved Revenue Service Commencement, RCTC shall (i) issue a Notice of Revenue Service Commencement, or (ii) provide Notice to TSP listing the work which, in RCTC's opinion, remains to be performed to achieve Revenue Service Commencement.

(d) TSP shall give Notice to RCTC when TSP considers that the work listed in a Notice issued by RCTC under Section 8.13.2(c)(ii) has been completed and Sections 8.13.2(b) and 8.13.2(c) will apply to such Notice, including RCTC inspection and review rights, in the same way as if it were the original Notice. The process shall be repeated until such time as RCTC issues a Notice of Revenue Service Commencement.

(e) TSP shall not commence O&M Work until the date specified by RCTC for the start of O&M Work in a Notice of Revenue Service Commencement. In RCTC's sole discretion, the date specified for the start of Revenue Service may differ from the Revenue Service Commencement Date even if TSP has achieved Revenue Service Commencement by the Revenue Service Commencement Deadline.

8.13.3 Punch List

Within 20 Business Days after delivery of the Notice of Revenue Service Commencement, or such longer period as RCTC may reasonably require, RCTC shall prepare and deliver to TSP a Punch List. TSP and RCTC may each add items to the Punch List provided no items may be removed without the consent of both Parties. TSP shall immediately commence work on the Punch List items and prosecute such Work to completion to RCTC's reasonable satisfaction and in accordance with this Contract. Such Work shall be completed by TSP within 20 Business Days after issuance of the Punch List or such longer period as, in RCTC's reasonable determination, is necessitated in case of materials or equipment with long delivery lead-times.

8.14 TCS Acceptance

8.14.1 TCS Acceptance Test

(a) TSP shall perform the TCS Acceptance Test following Revenue Service Commencement in accordance with the TP Section 5.6.4.

(b) RCTC shall be provided at least 15 Business Days' advance Notice of all TCS Acceptance Tests and RCTC may witness and monitor such TCS Acceptance Tests.

(c) The test results of the TCS Acceptance Test shall be compiled in a proposed test report submitted to RCTC for review and approval in accordance with the Submittal Process.

(d) Within 20 Business Days following the successful completion of TCS Acceptance Testing or any earlier termination of this Contract and no later than 120 days following Revenue Service Commencement, TSP shall deliver to RCTC a complete set of As-Built Technical Drawings for the TCS, which shall comply with this Contract, including the specifications in TP Section 15.4.

8.14.2 TCS Acceptance

(a) TSP shall provide Notice to RCTC when it believes TCS Acceptance has been achieved.

(b) Within 10 Business Days after receipt of RCTC's Notice under Section 8.14.2(a), RCTC shall (i) issue Notice of TCS Acceptance, or (ii) provide Notice to TSP listing the work which, in RCTC's opinion, remains to be performed to achieve TCS Acceptance.

(c) TSP shall give Notice to RCTC when TSP considers that the work listed in a Notice issued by RCTC under Section 8.14.2(b)(i) has been completed and Sections 8.14.2(b) and 8.14.2(c) will apply to such Notice, including RCTC inspection and review rights, in the same way as if it were the original Notice. The process shall be repeated until such time as RCTC issue a Notice of TCS Acceptance.

8.15 91 EL Transition Testing and Go Live; 91 EL Work Punch List and Acceptance

Provision addressing the 91 EL Transition testing and Go-Live date, punch list and 91 EL Work acceptance are addressed in Exhibit 25.

8.16 Annual Renewal Test

8.16.1 On or before the date 12 months after TCS Acceptance and annually thereafter, TSP shall perform the Annual Renewal Test to validate the continued performance of the Toll Services in accordance with the KPIs and other Contract requirements.

8.16.2 Without limiting Section 29.5, Agencies shall be provided at least 15 Business Days' advance Notice of all Annual Renewal Tests.

8.16.3 The test results of the Annual Renewal Test shall be compiled in a proposed test report submitted to Agencies within 10 Business Days of the test for review and approval in accordance with the Submittal Process.

8.16.4 TSP and Agencies shall meet and confer to discuss any identified deficiencies in the TCS' performance within 10 Business Days following TSP's delivery of the report. At such meeting, TSP shall provide Agencies with TSP's plan for correcting any deficiencies identified in the annual TCS Acceptance Test and the Parties shall agree upon such plan.

8.16.5 TSP shall promptly implement the agreed upon remediation plan for any identified deficiencies and provide Agencies with evidence acceptable to Agencies demonstrating successful remediation within 10 Business Days following submission of the test report.

SECTION 9 MAINTENANCE WORK

9.1 Maintenance Work

9.1.1 During the O&M Term, TSP shall:

(a) Perform the Maintenance Work in accordance with the Contract requirements;

(b) Maintain, rebuild, repair, restore or replace any aspect of the O&M Work or Toll Infrastructure that is damaged during the O&M Term, regardless of who has title to the Toll Services and Toll Infrastructure under this Contract and regardless of the cause of the damage;

(c) Coordinate with and provide Notice to Agencies where performance of the Maintenance Work or inspections will result in shutdowns of the TCS, inability of the TCS to comply with the KPIs or other Contract requirements or require management or diversion of traffic in accordance with TP Section 16.6; and

(d) Use diligent efforts to schedule any such shutdowns so as to minimize disruption of Toll Operations and any adverse impact on Toll revenues.

9.1.2 Where pavement, structure or other repairs to DB Work or Toll Infrastructure are required as a result of TSP's performance of the Maintenance Work or otherwise as a result of a TSP Fault, the costs of such repairs shall be due and payable from TSP to the applicable Agency upon demand.

9.1.3 Maintenance Work shall not result in any Lane Closure of an Express Lane unless such closure is in accordance with the Maintenance Plan and undertaken to the maximum extent possible to prevent the loss of Toll revenues.

9.1.4 Where unscheduled Maintenance Work is required in order to continue or restore the full operation of the TCS so that it meets all of the KPIs and other requirements of this Contract, TSP shall exercise best efforts to perform such Maintenance Work as quickly as possible as necessary to resolve the issue.

9.2 Contract Requirements for TCS Performance

(a) If the Contract requirements for TCS performance, including the KPIs are not met in any calendar month, or performance records (including any O&M Monthly Progress Report or any other performance audit report) indicate such requirements have not been or will not be met, TSP shall promptly provide Notice to Agencies and TSP shall take action to remedy the cause.

(b) Where the cause(s) of a series of failures to meet a Contract requirement for TCS performance is the same, or where temporary remedy is unsuccessful, TSP shall undertake a study, to determine the cause(s) of the failure(s) and propose a plan to remedy such cause(s). The proposed plan shall be subject to the Submittal Process and, once approved, TSP shall promptly implement such plan.

9.3 Transfer of O&M to Agencies at End of O&M Term

9.3.1 Training of Personnel

TSP shall:

(a) Train personnel of Agencies or any person designated by Agencies to perform the O&M Work in accordance with TP Section 18 and the End of Contract Transition Plan; and

(b) Provide qualified instructors who will prepare the course material, including the latest modifications, Equipment and Hardware changes, Software changes, maintenance updates, and any revised maintenance procedures, and may enlist Subcontractors or Suppliers to augment TSP's own trainers. Up to date copies of all literature, training aids, and equipment used in training shall be turned over to Agencies promptly at the end of the O&M Term.

9.3.2 Continued Stocking of Parts and Supplies.

At the end of the O&M Term, the spare parts inventory and Components necessary for operations shall be fully stocked and complete (including substitution with suitable alternatives, as determined by Agencies , for any Components that are obsolete or otherwise no longer available). In the event that such inventory is not fully stocked and complete upon the end of the Term, an amount equal to the cost of restocking and completing such inventory shall be due and payable from TSP to Agencies on demand.

9.3.3 Security and Safety for the O&M Work

TSP shall implement the provisions of the Health and Safety Plan, Roadside Safety Plan, Office Safety Plan and any other Plans concerning safety and security at all times while performing the O&M Work and shall ensure that TSP-Related Entities conduct O&M Work at the Site in such a manner as to minimize the risk of bodily harm to persons or damage to property, minimize the impact on toll revenues and protect against vandalism, theft, and other similar risks, and promptly take all precautions which are reasonable to safeguard against such risks.

SECTION 10 TOLL OPERATIONS

10.1 General.

10.1.1 Subject to Section 8.11.5, TSP shall commence performance of the CSC Commencement Period Toll Services by the CSC Commencement Deadline.

10.1.2 Unless directed otherwise by RCTC, TSP shall commence performance of the Toll Operations for the 15 Express Lanes at the Notice of Revenue Service Commencement and continue performance of such Toll Operations, except as modified below, for the remainder of the O&M Term.

10.1.3 Unless directed otherwise by Agencies, TSP shall commence performance of the consolidated Toll Operations for the 15 Express Lanes and 91 Express Lanes on the 91 Transition Go Live Date and continue performance of the Toll Operations for the remainder of the O&M Term.

10.2 Business Rules

10.2.1 TSP shall collect only those types and amounts of account customer fees and charges that are authorized by Agencies.

10.2.2 TSP shall conduct Toll Operations in accordance with the Agencies approved Business Rules, the approved Standard Operating Procedures and each Agency's toll policies.

10.2.3 Agencies , in their sole discretion, may revise, amend, revoke, modify or supplement the Business Rules, and all Plans that relate to collection and enforcement of tolls charged for I15 Express Lanes Project and the 91 Express Lanes, and to change the toll collection policies and procedures described in such Business Rules and Plans as often as they deem necessary or advisable. Any revisions to a Configurable Parameter within its specified range in the Business Rules shall be provided to TSP no less than 5 Business Days prior to the proposed effective date, except for changes necessitated by Governmental Rule, Emergency or safety.

10.2.4 TSP shall conform the O&M Work to any changes directed under Section 10.2.3 and make necessary changes to any policies and procedures that are established in writing by Agencies on the effective date of the applicable change.

10.2.5 Agencies shall reasonably consult with TSP regarding any changes Agencies desire to make to the Business Rules after Final Design Review, and if Agencies desire any change under Section 10.2.3 that is not Configurable or required by this Contract, Agencies shall submit a TSP Change Request in accordance with Section 20.

10.3 Deposit and Transmittal.

10.3.1 TSP shall handle funds of others, document Financial Transactions and maintain the integrity of financial records in accordance with TP Section 8.7, and the requirements for maintaining certain Toll Services Accounts and transferring funds as provided in Section 14.

10.3.2 TSP has a fiduciary duty to Agencies, and users of the I-15 Express Lanes and 91 Express Lanes, and shall institute all necessary and proper mechanisms for custody and administration over funds and revenues. The Gross Revenues are public funds.

10.3.3 TSP shall collect all Gross Revenues resulting from the Toll Operations and shall hold such Gross Revenues in trust for each Agency until deposited into the accounts specified to receive the same in accordance TP Section 8.8.

10.4 Violation Processing.

10.4.1 Subject to the limitations of applicable Governmental Rules, TSP shall perform all functions necessary to process and enforce toll Violations in accordance with this Contract, the Business Rules, and the Operations Plan. As used in this Section 10.4 and in Section 10.5, the term "applicable Agency" shall mean the Agency on whose toll facility the Violation occurred.

10.4.2 TSP shall consult with the applicable Agency promptly upon receipt of any Violator's request for documents (including images), administrative review, appeals or legal claims. The applicable Agency has sole discretion to direct that TSP proceed with or settle any such matter if it relates to that Agency's toll facility.

10.4.3 TSP shall be the contracted private vendor responsible for processing of notices of toll evasion Violations and notices of delinquent toll evasion Violation pursuant to Vehicle Code Section 40252. TSP shall perform all of the duties of the "processing agency" in Vehicle Code Section 40253 through 40273 and as specified in the Business Rules.

10.4.4 If TSP charges a Toll, fine or penalty in excess of the applicable rate in the Business Rules, the amount by which the actual charge exceeds the established toll, fine or penalty shall constitute an overcharge. An overcharge shall be returned to the toll customer where possible in accordance with the procedure in TP Section 8.6.5.2, and otherwise shall become the property of the applicable Agency.

10.4.5 If TSP fails to issue proper notice to a Violator within the allowable timeframe according to Vehicle Code Section 40252, TSP shall pay the applicable Agency the amount of the toll for all such Violations and NTEV penalty at the current rate of collection.

10.4.6 Any reduction, compromise and settlement of an amount owed to the applicable Agency in circumstances other than those defined as preauthorized in the Business Rules shall be subject to the applicable Agency's prior written approval, in its sole discretion. If TSP charges a Violator a Toll, fine or penalty which is less than the applicable rate in the then effective Business Rules, or is short of funds in its daily reconciliation, then, unless such reduction was attributable to circumstances defined to be preauthorized by the applicable Agency, or TSP obtains the applicable Agency's 's prior written consent to compromise a claim, the amount by which the actual charge or deposit is less than the authorized charge or deposit shall constitute a shortage, and an amount equal to the shortage shall be promptly deposited by TSP into the appropriate Agency bank account. If such deposit is not made, the amount of such shortage will be due and payable from TSP to the applicable Agency on demand.

10.4.7 In the event of any discrepancy between the applicable Agency's and TSP's records regarding the number and types of Violations, the applicable Agency's records shall control, subject to dispute resolution in accordance with Section 27.

10.5 Motorist Privacy.

10.5.1 TSP acknowledges and agrees that:

(a) Privacy of the customers is of paramount importance to Agencies and the traveling public; and

(b) All Toll Services Data of OCTA shall be the sole property of OCTA, and all Toll Services Data of RCTC shall be the sole property of RCTC.

10.5.2 TSP shall comply with Agencies' Privacy Policy and all applicable Governmental Rules, and Business Rules pertaining to confidentiality, privacy, handling, retention, reporting and disclosure, and limiting or restricting collection, use or dissemination of Personally Identifiable Information.

10.5.3 Subject to Section 10.5.4, TSP shall treat all Toll Services Data in accordance with Section 29.6 and shall not sell, transfer, disclose or otherwise use such information for any purpose other than in performance of its duties under this Contract.

10.5.4 Subject to Section 10.5.5, in the case of Personally Identifiable Information, TSP may use such information for Violation processing and collection and shall release the Personally Identifiable Information to:

(a) The applicable Agency upon request for the purposes of carrying out this Contract or the applicable Agency's 's functions with respect to the I-15 Express Lanes Project or the 91-Express Lanes, as applicable; and

(b) California DMV as necessary to assist in collection of debt or payments owing.

10.5.5 TSP shall implement physical, electronic and managerial safeguards to prevent unauthorized access to Personally Identifiable Information and to implement destruction of records containing Personally Identifiable Information in accordance with the records retention provisions of this Contract.

10.5.6 Immediately upon the Expiry Date, TSP shall, at each Agency's option: (i) certify to the applicable Agency that TSP has destroyed all Personally Identifiable Information, (ii) returned all Personally Identifiable Information to the applicable Agency; or (iii) handled all Personally Identifiable Information in accordance with operations shutdown plan in the End of Contract Transition Plan.

10.5.7 TSP shall comply with all applicable Governmental Rules regarding disclosure of Agencies' privacy policies to I-15 Express Lanes Project and 91 Express Lanes customers, and shall disclose TSP's policies regarding privacy of Personally Identifiable Information in writing to each user of the I-15 ELs and 91 ELs for whom TSP holds Personally Identifiable Information. Such disclosure shall be posted on the Customer Website. The content of the form of disclosures, and any changes thereto that TSP may make from time to time, shall be subject to Agencies' prior review and approval in accordance with the Submittal Process.

10.6 Customer Communications

The final format of all required form letters and standard correspondence with I-15 Express Lanes Project and 91 Express Lanes customers shall be subject to Agencies' approval in advance of use in accordance with the Submittal Process.

10.7 ROC/CSC

(a) TSP shall establish, furnish, operate and maintain the ROC in accordance with this Contract.

(b) TSP shall establish and staff the CSC as necessary to perform the CSC Commencement Period Toll Services by the CSC Commencement Deadline, provided that TSP shall not commence operations of the CSC until the date specified by RCTC in a Notice of CSC Commencement pursuant to Section 8.11.5.

(c) TSP shall establish, staff and operate the entire ROC by the Revenue Service Commencement Deadline, provided that TSP shall not commence Revenue Service until the date specified by RCTC in a Notice of Revenue Service Commencement.

10.8 Supplies and Materials for O&M Work

10.8.1 Inspection and Handling.

TSP shall:

(a) Inspect all Equipment and Hardware in accordance with Good Industry Practices to identify any Nonconformances and promptly return, or cause to be returned, Equipment or Hardware with Nonconformances to the Supplier for credit or replacement; and

(b) Maintain safe, secure and segregated storage areas for all Equipment and Hardware at the Site.

10.8.2 Passage and Warranty of Title.

(a) Title to all Equipment and Hardware shall pass to and vest in Agencies without further action of the Parties as provided in Section 7.19.

(b) TSP warrants good title to all Equipment and Hardware and warrants that title when it passes to and vests in Agencies as provided under this Contract shall be free and clear of any Liens and rights of other persons arising as a result of any actions or failure to act of any TSP-Related Entity.

(c) This Section 10.8.2 does apply to title relating to Pre-Existing Software, which shall be governed by Section 29.7, Section 29.8 and 29.9.

10.9 Noncompliance O&M Events and KPIs

10.9.1 TSP guarantees that the O&M Work shall comply with the KPIs and all other Contract requirements regarding performance of the TCS.

10.9.2 TP Section 13.5 sets out requirements for the identification of Noncompliance O&M Events that will result in the assessment of Performance Liquidated Damage, including corresponding Response Times and Repair Times for Priority O&M Events.

10.9.3 Performance Liquidated Damages and Performance Stipulated Damages are a system to measure TSP's performance levels and compliance with the requirements of this Contract throughout the O&M Term.

10.10 Extension of Response Time or Repair Time

10.10.1 TSP will be entitled to an extension of time to the Response Time or Repair Time (as applicable) if TSP is unable to Respond or Repair a Priority O&M Event due to:

(a) A direction of an Agency Representative to delay or reschedule the Response or Repair

(b) Material maintenance or other activities by an Other Agency Contractor; or

(c) An O&M Relief Event or Force Majeure Event, but only to the extent and for the period that TSP's ability to Respond or Repair the Priority O&M Event was directly and adversely affected, as determined by an Agency Representative, acting in good faith.

10.10.2 TSP shall bear the burden of proof that the conditions in Section 10.10.1 are satisfied

SECTION 11 LIQUIDATED DAMAGES

11.1 Lane Closures on State Route 91 and Interstate 15

11.1.1 TSP shall perform the Toll Services in a manner that will minimize impacts to the operations of State Route 91 and I-15 Corridor, including minimizing Lane Closures.

11.1.2 For Lane Closures during the Term, TSP shall be liable for and pay Lane Closure Charges to the applicable Agency as follows, and as more specifically set forth in Exhibit 22.

(a) For a Permitted Lane Closure of a General Purpose Lane, no Lane Closure Charges shall be owing from TSP to the applicable Agency for the duration of the Permitted Lane Closure. Where a Permitted Lane Closure goes beyond or outside the duration approved by the applicable Agency, Section 11.1.2(c) applies as specified in Exhibit 22, Chart 22-5.

(b) For a Permitted Lane Closure of an Express Lane:

(i) Liquidated damages shall be payable to RCTC for each affected I-15 Express Lane in the amount specified in Exhibit 22, Chart 22-1;

(ii) Liquidated damages shall be payable to the applicable Agency for each affected SR-91 Express Lane (including the SR 91 to I-15 Express Lane Flyover Connector) in the amount specified in Exhibit 22, Chart 22-3; and

(iii) Stipulated Damages shall be payable for each affected Express Lane to the applicable Agency as calculated in accordance with Section 11.2.

(c) For an Unpermitted Lane Closure of a General Purpose Lane, liquidated damages shall be payable for each affected General Purpose Lane in the amount specified in Exhibit 22, Chart 22-5.

(d) For an Unpermitted Lane Closure of an Express Lane:

(i) Liquidated damages shall be payable to RCTC for each affected I-15 Express Lane in the amount specified in Exhibit 22, Chart 22-2;

(ii) Liquidated damages shall be payable to the applicable Agency for each affected SR-91 Express Lane (including the SR 91 to I-15 Express Lane Flyover Connector) in the amount specified in Exhibit 22, 22-4; and

(iii) Stipulated Damages shall be payable to the applicable Agency for each affected Express Lane as calculated in accordance with Section 11.2.

11.1.3 TSP acknowledges that because of the unique nature of the I-15 Express Lanes Project and 91 Express Lanes, proper management of Permitted Lane Closures and avoidance of Unpermitted Lane Closures is essential to Agencies' ability to collect toll revenue to enable Agencies to continue to finance, construct, operate and maintain and improve the highway systems under their control, it is not possible to ascertain and determine the actual Losses, including lost toll revenues, which would accrue to Agencies and the public from such failures.

11.1.4 TSP acknowledges that the Lane Closure Charges are reasonable in order to compensate Agencies for damages they will incur in connection with Lane Closures. Such damages include loss of potential revenue for Agencies, loss of use, enjoyment and benefit of the I-15 Express Lanes Project and 91 Express Lanes and connecting Agencies' transportation facilities by the general public, injury to the credibility and reputation of Agencies' transportation improvement programs with policy makers and with the general public who depend on and expect availability of service, which injury to credibility and reputation may directly result in loss of ridership on the I-15 Express Lanes Project and 91 Express Lanes and connecting transportation facilities, and additional costs to Agencies for administering this Contract (including legal, engineering, accounting, overhead and other administrative costs). TSP further acknowledges that these

damages are incapable of accurate measurement because of, among other things, the unique nature of the Toll Services and that as of the Execution Date, the amounts of Lane Closure Charges represent a good faith estimate as to a portion only of the potential actual damages that Agencies would incur as a result of Lane Closures and do not constitute a penalty.

11.1.5 Without limiting Agencies' rights under Section 18.12, TSP shall pay to the applicable Agency the Lane Closure Charges owing directly to the applicable Agency, without notice or demand, on the tenth (10th) Business Day of the following month.

11.1.6 Without limiting Agencies' other rights under this Contract, in the event that TSP fails to make any timely payment of Lane Closure Charges, then: (a) the applicable Agency may prohibit TSP from pursuing or implementing any further Permitted Lane Closures until such past due payments are made; and (b) TSP shall not be entitled to any Change Order, compensation, or time extension arising out of any inability to pursue or implement such Permitted Lane Closures.

11.1.7 Where an Agency permits or requires TSP to proceed with a Permitted Lane Closure after TSP has failed to timely pay Lane Closure Charges as provided in this Contract, this shall not waive the Agency's right to receive damages under this Contract or any rights otherwise available to the Agency.

11.2 Calculation of Stipulated Damages

11.2.1 Stipulated Damages shall be calculated by using a comparison of the number of transactions identified by the relevant Collection System in the impacted area during the period of the Permitted Lane Closure and the number of transactions identified by the Collection System during a comparable prior period in the equivalent impacted area determined by the applicable Agency. Determination of a comparable period shall be made by the applicable Agency, acting reasonably, and shall consider the day, month, time of day, location, season, whether the day is a weekday, weekend or holiday, and such other factors as the applicable Agency shall reasonably determine. If the applicable Agency does not have operating history from a comparable period, Stipulated Damages shall be determined by the applicable Agency by reference to the traffic and revenue study estimates for the period of time in question and may also consider available live traffic data for the relevant period.

11.2.2 By way of example, if, during the period of the Lane Closure, the Toll Collection System identifies 100 transactions, and during a comparable prior period where there is no Lane Closure, the Toll Collection System identifies 1000 transactions, the Lane Closure Stipulated Damages for the duration of the Lane Closure would be the value of the difference in the number of transactions (i.e., an amount equal to 900) multiplied by the toll rate(s) applicable to such transactions. The calculation of Stipulated Damages can never be a negative number or result in TSP being entitled to additional payment from the applicable Agency.

11.3 Liquidated Damages for Late Cancelled Lane Closure

11.3.1 If TSP fails to (a) utilize a Lane Closure that TSP has requested under TP Section 4.7.2, or (b) provide the applicable Agency advance Notice canceling the requested Lane Closure at least 72 hours before the date and time that the requested Lane Closure is scheduled to commence, the amount of $5,000 shall be payable for each failure to the applicable Agency.

11.3.2 TSP acknowledges and agrees that the liquidated damages respecting TSP's failure to utilize a requested Lane Closure or timely cancel a Lane Closure, as described in this Section 11.3, are reasonable in order to compensate the applicable Agency for the impact of preparation for a Lane Closure that has been scheduled and not used or cancelled too late. TSP further acknowledges that these damages are incapable of accurate measurement because of, among other things, their imprecise nature. The Parties have agreed to liquidated damages under this Section 11.3 in order to fix and limit TSP's costs and to avoid later Disputes over what amounts of damages are properly chargeable to TSP.

11.3.3 Without limiting Agencies' rights under Section 18.12, TSP shall pay to the applicable Agency the Lane Closure Charges owing directly to the applicable Agency, without notice or demand, on the tenth (10th) Business Day of the following month.

11.4 Delay Liquidated Damages for Failure to Achieve Completion Deadlines

11.4.1 TSP shall pay the following Delay Liquidated Damages to RCTC:

(a) $5,000 per day for each day commencing 60 days from issuance of NTP1 through the date that TSP submits the TCS Infrastructure Requirements meeting all requirements of the Contract;

(b) $5,000 for each day after the CSC Commencement Deadline through the date that TSP achieves ROC Commencement, not to exceed 60 days or earlier termination of this Contract;

(c) $45,000 for each day after the Revenue Service Commencement Deadline through the date that TSP achieves Revenue Service Commencement, not to exceed 180 days or earlier termination of this Contract; and

(d) $5,000 for each day from and after the TCS Acceptance Deadline through the date that TSP achieves TCS Acceptance, but not to exceed 90 days or earlier termination of this Contract.

11.4.2 Subject to Section 11.4.3 and without limiting RCTC's rights under Section 18.12, Delay Liquidated Damages shall be due and payable directly to RCTC or to such other person as directed by RCTC in writing, without notice or demand, on the tenth (10th) Business Day of the following month.

11.4.3 Subject to Sections 11.4.5 and 11.4.6, the Parties agree that the payment of Delay Liquidated Damages is RCTC's sole right to monetary compensation from TSP for delay in meeting a Completion Deadline.

11.4.4 Section 11.4.3 shall not preclude RCTC from exercising any other non-monetary rights respecting the delay under this Contract including Section 23.3 and, if applicable Section 23.4.

11.4.5 RCTC agrees not to exercise non-monetary rights in relation to a delay in meeting a Completion Deadline provided (a) the Project Schedule demonstrates that TSP is capable of meeting the applicable Completion Deadline within the time specified in Section 11.4.1, and (b) TSP diligently performs the Toll Services in accordance with such Project Schedule.

11.4.6 Without limiting RCTC's right to continue to assess Delay Liquidated Damages under Section 11.4.1(c), RCTC may not exercise non-monetary rights relating to failure to achieve Revenue Service Commencement until the delay exceeds within 90 days after the Revenue Service Commencement Deadline.

11.4.7 The Parties acknowledge and agree that:

(a) In the event that TSP fails to achieve any Completion Milestone by the applicable Completion Deadline, RCTC shall incur damages that are incapable of accurate measurement because of, among other things, the unique nature of the I-15 Express Lanes Project. Such damages include additional costs to RCTC of administering this Contract (including engineering, management, legal, accounting, overhead and other administrative costs), loss of toll revenues, ongoing traffic impact and disruption relating to construction of the I-15 Express Lanes Project and loss of public use of the I-15 Express Lanes Project. Therefore, TSP and RCTC have agreed to stipulate the amount payable by TSP in the event of its failure to achieve the Completion Milestones by the applicable Completion Deadlines.

(b) As of the Effective Date, the amounts of Delay Liquidated Damages in Section 11.4.1 represent a good faith estimate as to a portion only of the potential actual damages that RCTC would incur as a result of TSP's failure to achieve a Completion Milestone by the applicable Completion Deadline and do not constitute a penalty; and

(c) Delay Liquidated Damages may be owing even though no TSP Event of Default has occurred.

11.5 Performance Liquidated Damages and Performance Stipulated Damages

11.5.1 Where a Priority O&M Event is not Responded to within the Response Time or is not Repaired within the Repair Time or a Noncompliance O&M Event (excluding a Priority O&M Event) occurs, Agencies may impose Performance Liquidated Damages and / or Performance Stipulated Damages (as applicable) on TSP.

11.5.2 Without limiting Agencies' rights under Section 18.12, Performance Liquidated Damages and Performance Stipulated Damages shall be due and payable directly to Agencies without notice or demand on the tenth (10th) Business Day of the following month, unless otherwise directed by an Agency.

11.5.3 The Parties acknowledge and agree that:

(a) In the event that if a Priority O&M Event is not Responded to within the Response Time or is not Repaired within the Repair Time, or a Noncompliance O&M Event (excluding a Priority O&M Event) occurs, Agencies shall incur damages that are incapable of accurate measurement including additional costs to Agencies for administering this Contract (including engineering, management, legal, accounting, overhead and other administrative costs), loss of toll revenues, additional operating costs for the TCS and Agencies' ability to collect toll revenue to enable Agencies to continue to finance, construct, operate and maintain and improve their highway systems;

(b) As of the Effective Date, the amounts of Performance Liquidated Damages and Performance Stipulated Damages represent a good faith estimate as to a portion only of the potential actual damages that Agencies would incur as a result of such failure;

(c) The Performance Liquidated Damages and Performance Stipulated Damages do not constitute a penalty;

(d) The methodology for determining such Performance Stipulated Damages was established based on the Parties' agreement that the amounts determined will constitute a reasonable approximation of the actual damages from lost toll revenues that Agencies will accrue as a result of the circumstances giving rise to such Performance Stipulated Damages; and

(e) Performance Liquidated Damages or Performance Stipulated Damages may be owing even though no TSP Event of Default has occurred.

11.5.4 Without limiting Agencies' rights under Section 18.12 Performance Stipulated Damages and Performance Liquidated Damages shall be due and payable directly to the applicable Agency, without notice or demand, on the tenth (10th) Business Day of the following month.

11.6 Calculation of Performance Stipulated Damages.

11.6.1.1 Performance Stipulated Damages shall be calculated by using a comparison of the number of transactions identified by the TCS during the period of failure to meet the minimum standard for the KPI specified in the KPI Table and the number of transactions identified by the TCS during a comparable prior period determined by Agencies. Subject to Section 11.6.1.2, a determination of a comparable period shall be made by Agencies, acting reasonably, and shall consider the day, month, time of day, location, season, whether the day is a weekday, weekend or holiday and such other factors as Agencies shall reasonably determine.

11.6.1.2 During the first 6 months of the O&M Term, Performance Stipulated Damages shall be determined by reference to the traffic and revenue study estimates for the period of time in question and may also consider available live traffic data from the TCS and other subsystems for such period.

11.6.2 For example, if, during the period in which the TCS fails to meet the minimum standard for the KPI specified in the KPI Table as being subject to payment of Performance Stipulated Damages, the TCS identifies 100 transactions, and during a comparable prior period where the TCS is meeting the minimum standard specified for the KPI in the KPI Table, the TCS identifies 1000 transactions, the Performance Stipulated Damages for the failure to meet the minimum standard for such KPI for the period in question would be the value of the difference in the number of transactions (i.e., an amount equal to 900) multiplied by the toll rate(s) applicable to such transactions.

11.6.3 The calculation of Performance Stipulated Damages can never be a negative number or result in TSP being entitled to additional payment from Agencies.

11.7 Performance Liquidated Damages and Performance Stipulated Damages as Sole Monetary Remedy

11.7.1 Subject to this Section 11, any termination in accordance with Section 23.1.16 or in connection with Persistent Breach, the Performance Liquidated Damages and Performance Stipulated Damages payable under this Contract is Agencies' sole monetary remedy for TSP's failure to Respond to or Repair a Priority O&M Event within the Response Time or Repair Time (as applicable), or a Noncompliance O&M Event (excluding a Priority O&M Event) .

11.7.2 Section 11.7.1 does not preclude Agencies from making a Claim against TSP with respect to failure to Respond to or Repair a Priority O&M Event within the Response Time or Repair Time (as applicable), or a Noncompliance O&M Event (excluding a Priority O&M Event) for:

(a) Losses or damages to the extent (i) covered by the proceeds of insurance required to be carried in accordance with this Contract, or (ii) covered by the proceeds of insurance actually carried by or insuring TSP under policies solely with respect to the Toll Services, regardless of whether required to be carried under this Contract;

(b) Losses or damages arising out of fraud, criminal conduct, intentional misconduct, recklessness, bad faith or gross negligence on the part of any TSP-Related Entity;

(c) Losses or damages arising out of any TSP Release of Hazardous Materials;

(d) Agencies' right under, including the right to enforce, TSP's indemnities under this Contract; and

(e) Losses or damages arising as a result of Agencies exercising their default and termination rights under this Contract.

11.8 Intent Regarding Liquidated Damages

The Parties intend for the Liquidated Damages set forth in this Contract to constitute liquidated damages as such term is used in Government Code Section 53069.85 to the extent the statute is applicable, and to constitute stipulated damages to the extent the statute is not applicable.

SECTION 12 NONCONFORMANCES, CORRECTION OF WORK AND WARRANTIES

12.1 Notice of Nonconformance

Agencies shall give a Notice to TSP within a reasonable period after Agencies have Actual Knowledge of any Nonconformance during the Term. If Agencies fail to provide Notice within a reasonable period after obtaining Actual Knowledge of the Nonconformance, such failure shall not constitute a waiver of Agencies' rights under this Section 12, but TSP shall not be responsible for the increase in Cost, if any, directly and solely resulting from Agencies' failure to provide timely Notice unless TSP had Actual Knowledge of, or should have been aware, in the exercise of reasonable diligence or in the performance of its obligations under this Contract, of such Nonconformance.

12.2 Remedy of Nonconformances

12.2.1 During the Term, if TSP has Actual Knowledge of a Nonconformance or has received notice of a Nonconformance from Agencies under Section 12.1, TSP shall promptly remedy such Nonconformance and any damage to the DB Work or property of third parties to the extent caused

by such Nonconformance in order to return the same to its condition existing immediately prior to the damage or Nonconformance.

12.2.2 TSP shall perform such tests as Agencies may, in their good faith discretion, require to remedy, and to demonstrate the cure of, a Nonconformance.

12.2.3 TSP acknowledges and agrees that any Nonconformance may have severe economic, safety and travel consequences to Agencies and the traveling public if such Nonconformance is not immediately remedied.

12.2.4 TSP shall perform all remedy Work in a timely and expeditious manner, and so as to minimize the revenue loss to Agencies and to avoid disruption of normal TCS operations.

12.2.5 TSP shall remain liable for under this Contract, at law or in equity with respect to the Toll Services, including liability for Liquidated Damages, design defects, latent construction defects, strict liability, breach, negligence, willful misconduct or fraud notwithstanding the remedy of any Nonconformance.

12.3 Failure to Remedy a Nonconformance.

If:

12.3.1 TSP has received Notice of a Nonconformance from Agencies under Section 12.1 during the Term and states or by its action (or failure to act) indicates that it is unable or unwilling to proceed with remedy of the Nonconformance within five (5) Business Days following receipt of such Notice; or

12.3.2 TSP fails to remedy the Nonconformance in accordance with this Contract, then Agencies, upon Notice to TSP, may, or may procure another party to remedy the Nonconformance, and the cost of such remedy will be due and payable from TSP to Agencies upon demand.

12.4 Damages for Breach of Warranty

12.4.1 Subject to Section 11 and Section 25 and in addition to Agencies' other rights under this Contract, at law or in equity, TSP shall be liable for actual damages resulting from any breach of an express or implied warranty, Subcontractor warranty, or any Nonconformance, including the cost of performance of such obligations by others.

SECTION 13 END OF O&M TERM ACCEPTANCE

13.1 Requirements

13.1.1 Upon the Expiry Date, TSP shall perform each of the required elements of the End of Contract Transition Plan.

13.1.2 TSP shall provide Notice to Agencies when it has complied with all elements of the End of Contract Transition Plan, including a list of all transferrable items to be assigned to Agencies at the end of this Contract, including all items required to operate and maintain the TCS, sufficient to allow all transaction information to be posted and processed by a back office system provided by others.

13.1.3 TSP shall provide Notice to Agencies when all of the following have occurred, which shall be not fewer than 90 days prior to the Expiry Date:

(a) TSP has provided, and Agencies have approved in accordance with the Submittal Process, updated As-Built Technical Drawings reflecting any and all changes and modifications that may have occurred during the Term;

(b) TSP has provided, and Agencies have approved in accordance with the Submittal Process, all Components required to properly maintain the TCS in the standard required by this Contract during the Term, whether or not the same are indicated in the spare parts inventory;

(c) TSP has supplied, and Agencies have approved in accordance with the Submittal Process, all necessary manuals to operate and maintain the TCS, revised as necessary to reflect any and all changes and modifications that may have been made to the TCS since the manuals were originally provided by TSP;

(d) TSP has supplied, and Agencies have approved and accepted, completed maintenance records from the MOMS and Monthly O&M Reports;

(e) TSP has trained Agencies' designated maintenance staff to Agencies' satisfaction in accordance with this Contract and has transferred all literature, training aids, and equipment used in training;

(f) TSP has transferred to Agencies or their designees all rights in Software required by Sections 29.7, 29.8 and 29.9;

(g) To the extent required in accordance with Section 29.12, TSP has deposited all Software Source Code necessary for continued operation and maintenance of the TCS into the Source Code Escrow and the Code Escrow Agent has verified such deposit is accurate and complete; and

(h) TSP has furnished a complete and current set of all transferrable system configuration data and Software, customer account management data and Personally Identifiable Information, financial data, and traffic data one year prior to the end of the Term and has provided updates of such data every quarter until the end of the Term.

13.2 Certificate of End of O&M Term Acceptance

Agencies will issue a Certificate of End of O&M Term Acceptance as soon as reasonably practicable after: (a) Agencies determine that all conditions in Section 13.1 and TP Section 18 have been satisfied; (b) Agencies determine that all Nonconformances have been fully corrected; and (c) any other conditions precedent to End of O&M Term in this Contract have occurred.

SECTION 14 FLOW OF FUNDS REQUIREMENTS

14.1 Accounts

TSP shall:

(a) Collect all Gross Revenues resulting from the performance of Toll Services and shall hold such Gross Revenues in trust for Agencies until deposited into the applicable Agency's bank account or accounts in accordance with this Contract;

(b) Deposit all Gross Revenues as collected in one or more accounts designated by each Agency, in accordance with this Contract, Business Rules and Standard Operating Procedures; and

(c) Process charges and debits to Accounts and the funds in the Account directly from the Account to the Agency bank account(s) designated for receipt of such funds in compliance with this Contract, Business Rules and Standard Operating Procedures, and deposit all fees and charges imposed on and collected from Transponder Account customers into such designated account.

14.2 No Commingling of Funds

All Gross Revenues received by TSP shall be identified for deposit into one of the bank accounts established by Agencies and shall be deposited by TSP into such accounts within the time frame designated in this Contract, Business Rules and Standard Operating Procedures. TSP shall not commingle Gross Revenues from the different sources.

14.3 Authorized Personnel

Only TSP personnel specified in this Contract, Business Rules and Standard Operating Procedures shall have access to and control over the Gross Revenues and accounts.

14.4 Daily Transfer and Reconciliation

TSP shall carry out the responsibilities assigned to it to make daily transfers of funds and reconciliation in accordance with TP Section 8.8. TSP shall be solely responsible for the safe deposit and transfer of funds, and shall reimburse Agencies for shortfalls in the reconciliation, including for funds that are lost, stolen or otherwise unaccounted for.

14.5 Responsibility for Chargebacks and Refunds

TSP shall be responsible for the cost of chargebacks, bank fees, processing costs, refunds and any other amounts owed to Agencies but not otherwise collected by TSP in accordance with this Section 14, resulting from any TSP Fault and, without limiting Section 18.12, such amounts shall be due and payable from TSP to Agencies upon demand.

14.6 Agencies Revenue Control and Management

TSP shall fully cooperate with and assist any person or firm appointed by Agencies to oversee toll revenue management and control on behalf of Agencies.

SECTION 15 PARTIES REPRESENTATIVES; CIVIL RIGHTS; SUBCONTRACTORS; KEY PERSONNEL

15.1 Designation of Representatives; Cooperation with Representatives

15.1.1 Each Agency and TSP shall each designate an individual or individuals who are authorized to make decisions and bind the parties on matters relating to this Contract. Exhibit 2 provides the initial Representative designations.

15.1.2 The TSP Representative shall (a) have full responsibility for the prosecution of the Toll Services, (b) act as agent and be a single point of contact in all matters on behalf of TSP, (c) be available to execute instructions and directions received from Agencies or their Representatives; and (d) be available at all times while Toll Services is actually in progress.

15.1.3 The designation of the TSP Representative or Agency Representatives may be changed by Notice to the other Party.

15.1.4 The Parties may also designate technical representatives who shall be authorized to investigate and report on matters relating to the Toll Services and negotiate on behalf of each of the parties but who do not have authority to bind Agencies or TSP.

15.2 Civil Rights; Equal Employment Opportunity

15.2.1 TSP shall not, and shall cause the Subcontractors to not, discriminate on the basis of race, color, national origin or sex in the performance of the Toll Services. TSP shall carry out, and shall cause the Subcontractors to carry out, applicable requirements of 49 CFR Part 21 and 23 CFR Part 200 in the award and administration of FHWA-assisted agreements. Failure by TSP to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy as Agencies deem appropriate.

15.2.2 TSP shall ensure that Section 15.2.1 is included in every Subcontract (including purchase orders), so that such provisions will be binding upon each Subcontractor.

15.2.3 TSP confirms for itself and all Subcontractors that TSP and each Subcontractor has an equal employment opportunity policy ensuring equal employment opportunity without regard to race, color, national origin, sex, age, religion or handicap; and that TSP and each Subcontractor maintains no employee facilities segregated on the basis of race, color, religion or national origin.

15.2.4 TSP shall comply, and shall ensure that its Subcontractors comply with, all applicable equal employment opportunity and nondiscrimination provisions in Exhibit 5.

15.3 General

15.3.1 Subject to the nondiscrimination and equal opportunity provisions, TSP may perform the Toll Services with its own personnel or pursuant to Subcontracts. Prior to engaging any new major Subcontractor after the date first set forth above, TSP shall provide Agencies the opportunity to review, comment and approve, as appropriate, such new major Subcontractors. The Parties shall agree, in advance, on which Subcontractors shall require approval of the Agencies.

15.3.2 TSP is responsible for:

(a) The engagement and management of each Subcontract,

(b) All Toll Services performed by its Subcontractors;

(c) Proper supervision and coordination of the Toll Services performed by its Subcontractors so as to ensure that all Toll Services are in accordance with this Contract;

(d) The actions, errors omissions, negligence, willful misconduct, or breach of applicable Governmental Rule or contract by any TSP-Related Entity or Subcontractor, as though TSP directly employed all such Persons.

(e) Within ten (10) Business Days after execution of a Subcontract, TSP shall deliver true, correct and complete copies of such Subcontract to Agencies.

(f) TSP may not amend or terminate any Major Subcontract without the prior written consent of Agencies, in its sole discretion except that TSP may terminate a Major Subcontract in the event of material default by the Subcontractor.

15.4 Subcontract Requirements

15.4.1 Each Subcontract shall:

15.4.1.1 Include express requirements that: (1) Agencies and Department are third party beneficiaries of the Subcontract, and shall each have the independent right to enforce all of the terms of the Subcontract for their own benefit; (2) all guarantees and warranties, express or implied, shall inure to the benefit of Agencies and Department, and their respective successors and assigns; (3) the rights of TSP under such instrument are assigned to Agencies contingent only upon delivery of Notice from Agencies following default by TSP or termination or expiration of this Contract, allowing Agencies to assume the benefit of TSP's rights with liability only for those remaining obligations of TSP accruing after the date of assumption by Agencies; and (4) the Subcontractor shall recognize and attorn to Agencies upon receipt of Notice from Agencies that has Agencies have exercised their rights under this Contract, without necessity for consent or approval from TSP or to determine whether Agencies validly exercised their rights, and TSP's covenant to waive and release any claim or cause of action against the Subcontractor in connection with its recognition and attornment in reliance on any such Notice;

15.4.1.2 Not impose upon Agencies or Department any obligation or liability;

15.4.1.3 Not create any contractual relationship between Agencies or Department and the applicable Subcontractor

15.4.1.4 Include the following provision:

> Nothing contained herein shall be deemed to create any privity of contract between or among the Riverside County Transportation Commission (RCTC), the Orange County Transportation Authority (OCTA), the California Department of Transportation (Department) and the Subcontractor, nor does it create any duties, obligations, or liabilities on the part of RCTC, OCTA or Department to the Subcontractor except those allowed under California law. In the event of any claim or dispute arising under the Subcontract and/or TSP's Contract with RCTC and OCTA, the Subcontractor shall look only to TSP for any payment, redress, relief, or other satisfaction. The Subcontractor hereby waives any claim or cause

of action against RCTC, OCTA or Department arising out of the Subcontract or otherwise arising in connection with the Subcontractor's Work.;

15.4.1.5 Include express requirements that: (a) Subcontractor will maintain Books and Records and will permit audit of Books and Records, and (b) provide progress reports to TSP appropriate for the type of work it is performing sufficient to enable TSP to provide the reports it is required to furnish Agencies under this Contract;

15.4.1.6 Include provisions that allow the assignment to Agencies and for Agencies to assume the benefit of TSP's rights under the Subcontract with liability only for those remaining obligations of TSP accruing after the date of assumption by Agencies, without cost to Agencies, upon any termination of this Contract (including a termination due to an Agency or TSP Event of Default). Any such assignment shall be subject to the prior rights, if any, of the surety obligated under the Payment Bond and Performance Bond (if applicable). No such assignment shall release or relieve TSP from its obligations or liabilities under the assigned Subcontract;

15.4.1.7 Include provisions regarding terminations for convenience by Agencies, allowing such terminations to occur and to be passed through to the Subcontractors and establishing terms, conditions and procedures for determining the amount payable to the Subcontractor upon a termination, consistent with Section 23;

15.4.1.8 Provide that, in the event of a termination for convenience by Agencies, the Subcontractor will not be entitled to any anticipatory or unearned profit on Toll Services terminated or partly terminated, or to any payment which constitutes consequential damages on account of the termination or partial termination;

15.4.1.9 Require the principal design Subcontractor (including any joint venture) and each Major Subcontractor to submit to TSP a copy of all documentary information used in determining its Subcontract price (or the price for Subcontract Toll Services included in any Change Order or Contract amendment), immediately prior to executing the Subcontract and each Change Order and Subcontract amendment, to be held in the same manner as the EPDs and which shall be accessible by TSP and its successors and assigns (including RCTC) and the Disputes Board, on terms substantially similar to those contained in this Contract;

15.4.1.10 Include a representation and warranty from the Subcontractor providing information under Section 15.4.1.9, for the benefit of TSP and Agencies, stating that its EPDs constitute all the documentary information used in establishing its Subcontract price, and agreeing to provide a sworn certification in favor of TSP and Agencies together with each supplemental set of EPDs, stating that the information contained in the EPDs are complete, accurate and current. Each Subcontract that is not subject to this requirement shall include a provision requiring the Subcontractor to preserve all documentary information used in establishing its Subcontract price and to provide such documentation to TSP and/or Agencies in connection with any Claim made by such Subcontractor;

15.4.1.11 Include provisions in all public works subcontracts consistent with Pub. Cont. Code § 9204(d)(5), which provides that a Subcontractor may request in writing, either on its own behalf or on behalf of a lower tier Subcontractor, that TSP present a claim for work which was performed by the Subcontractor or by a lower tier Subcontractor on behalf of the Subcontractor. In such event the Subcontractor must furnish reasonable documentation to support the claim. Within 45

days of receipt of this written request, TSP is required to notify the Subcontractor in writing as to whether TSP presented the claim to Agencies and, if TSP did not present the claim, provide the Subcontractor with a statement of the reasons for not having done so;

15.4.2 To the extent commercially feasible (and TSP shall bear the burden of proof that such items are not commercially feasible if not included), TSP shall include the following patent and copyright infringement and trade secret misappropriation provisions in its purchase orders and licensing agreements with TSP's TCS equipment and TCS Software Suppliers. Inclusion of such provisions in TSP purchase orders and licensing agreements with Suppliers shall be subject to verification by Agencies:

(a) Suppliers shall represent and warrant that any Equipment is free of any rightful claim of any third party for infringement of any United States patent or copyright or misappropriation of any trade secret;

(b) If promptly provided Notice and given authority, information and assistance, the Supplier shall defend, or may settle, at its expense, any further proceeding against TSP and/or Agencies and the Agency Parties, insofar as it is based on any claimed patent or copyright infringement or misappropriation of any trade secret which would result in a breach of this warranty and the Supplier shall defend, indemnify and hold harmless TSP, Agencies and the Agency Parties from and against any Claim or Losses incurred in connection therewith;

(c) The Supplier shall provide Notice to TSP and Agencies promptly and in reasonable detail, each notice or Claim of patent or copyright infringement or misappropriation of any trade secret based on the performance of this Contract of which the Supplier has knowledge; and

(d) In the event of any Claim or dispute against TSP and/or Agencies on account of any alleged patent or copyright infringement or misappropriation of any trade secret in connection with the performance of this Contract or out of the use of any supplies furnished or work or services performed under this Contract, the Supplier shall furnish to TSP and Agencies all evidence and information in the possession of the Supplier pertaining to such Claim at its expense.

15.4.3 If directed by Agencies, in their sole discretion, TSP shall interface with a collection agency in accordance with TP Section 6.8 and refer debt to a collection agency in accordance with TP Section 6.8. TSP shall provide the collection services required pursuant to TP Sections 6.8 and and any other applicable section of the TPs.

15.4.4 Upon Agencies' direction, in their sole discretion, TSP shall subcontract for debt collection services with a collection agency to be identified by TSP and approved by Agencies pursuant to the Submittal Process. The term of the Subcontract between TSP and the approved collection agency for performance of such services shall be for no more than five (5) years, commencing on the Revenue Service Commencement Date, unless otherwise agreed to by the parties. Such Subcontract shall provide that it may be extended at the option of TSP for a maximum of five (5) additional one year option periods, and that failure of TSP to exercise an option to extend the collection agency Subcontract for any year shall terminate all remaining options.

15.4.5 Agencies may review the form of subcontract used by TSP for the Projects or any Subcontract and require modifications to such form to conform to the requirements set forth in this Contract.

15.4.6 No Subcontractor may start any Work until after Agencies receives copy of its Subcontract, a copy of required license, and any insurance documents required under this Contract.

15.5 Subcontracts with Affiliates

15.5.1 TSP may have Toll Services performed by Affiliates only under the following terms and conditions:

(a) TSP shall execute a written Subcontract with the Affiliate which complies with all requirements for Subcontracts under this Contract;

(b) The terms and conditions of the Subcontract (including pricing and scheduling) shall be no less favorable to TSP than those that TSP could reasonably obtain in an arm's length, competitively procured transaction with an unaffiliated Subcontractor. TSP shall bear the burden of proving that the same are no less favorable to TSP; and

(c) No Affiliate shall be engaged to perform any Toll Services which this Contract requires be performed by an independent or unaffiliated party. No Affiliate shall be engaged to perform any Toll Services which would be inconsistent with Good Industry Practice or other Contract requirements.

15.5.2 Before entering into or amending any Subcontract with an Affiliate, TSP shall submit a true and complete copy of the proposed Subcontract to Agencies for review and comment.

15.5.3 TSP shall make no payments to Affiliates for Toll Services in advance of provision of such Toll Services, except for reasonable mobilization payments or other payments consistent with arm's length, competitive transactions of similar scope.

15.6 Key Personnel; Qualifications of Employees

15.6.1 TSP shall:

(a) Appoint or procure the engagement of the Key Personnel in the positions stated in Exhibit 2;

(b) Not change, or permit any change in any Key Personnel without the prior written consent of Agencies, in their sole discretion;

(c) Provide Notice to Agencies of any proposed changes in any Key Personnel;

(d) Provide phone, email and mobile telephone numbers for all Key Personnel. Agencies require the ability to contact a Key Personnel member nominated by TSP and initially set out in Exhibit 2, 24 hours per day, seven days per week;

(e) Ensure the Key Personnel are available for the time commitment specified in TP Section 2.1.2. Agencies may, at no additional cost to Agencies, require a 100% time commitment

per position from any Key Personnel if Agencies, in their sole discretion, determines that such personnel are not devoting sufficient time to the performance the Toll Services; and

(f) Ensure that all Persons performing Toll Services:

(i) Have the skill and experience and any licenses required to perform the Toll Services assigned to them; and

(ii) Are available for the Toll Services and shall maintain active involvement in the prosecution and performance of the Toll Services unless (a) TSP removes or replaces such personnel at the direction of Agencies; or (b) such individual is unavailable due to the application of Governmental Rule, death, retirement, injury or no longer being employed by the applicable TSP-Related Entity (provided that moving to an affiliated company or a Subcontractor is not considered grounds for avoiding this provision).

15.6.2 If Agencies determines, in their sole discretion, that any Person (a) is not performing the Toll Services in a proper, desirable and skillful manner or is detrimental to Work; (b) poses a potential health, safety or security threat to Agencies' customers, Agency Parties or assets; or (c) does not meet the minimum performance requirements of Agencies, then, upon Notice from Agencies, TSP or its Subcontractor shall remove such Person from the Toll Services and such Person shall not be reemployed on the Toll Services without the prior written approval of Agencies.

(a) Agencies may review the qualifications and character of each individual to be appointed to a Key Personnel position (including personnel employed by Subcontractors) and to approve or disapprove use of such individual in such position prior to the commencement of any Toll Services by such individual or during the prosecution of the Toll Services.

15.7 Key Personnel Liquidated Damages

15.7.1 TSP acknowledges that Agencies and the Toll Services will suffer significant and substantial damages and that it is impracticable and extremely difficult to ascertain and determine the actual damages which would accrue to Agencies in such event if a Key Personnel is not available for or actively involved in the performance of the Toll Services as required in TP Section 2.1.2 or TSP elects not to appoint any Key Personnel position. If Toll Services Provider appoints more than one individual to serve in a Key Personnel position, each appointed individual shall be considered a Key Personnel for purposes of this Section 15.7, including with respect to TSP's obligation to pay liquidated damages in the event such individual is unavailable for or not actively involved in the performance of the Toll Services.

15.7.2 TSP shall pay Agencies a liquidated amount as follows, for each occasion when an individual performing a Key Personnel role is not available for or actively involved in the performance of the Toll Services as required in TP Section 2.1.2 or where TSP elects not to appoint any Key such Personnel as determined by Agencies, in their good faith discretion:

POSITION	LIQUIDATED AMOUNT
Project Manager – D&D Work	$ 150,000
Project Manager – O&M Work	$ 150,000

Operations Manager	$ 50,000
Installation Manager	$ 20,000

15.7.3 In addition to the amounts payable under Section 15.7.2, TSP shall pay Agencies a further liquidated amount of $20,000, if any of the positions listed in Section 15.7.2 or any other Key Personnel is not available for or actively involved in the performance of the Toll Services for any 6 month period. The amount payable under this Section 15.7.3 is payable for each 6 month period during which the Key Personnel is unavailable.

15.7.4 TSP understands and agrees that any damages payable in accordance with this Section 15.7 are in the nature of liquidated damages and not a penalty and that such sums are reasonable under the circumstances existing as of the Proposal Date.

15.7.5 TSP is not liable for liquidated damages under Section 15.7.2 if: (a) TSP removes or replaces such personnel at the direction of Agencies; (b) such individual is unavailable due to the application of Governmental Rule, death, retirement, injury or no longer being employed by the applicable TSP-Related Entity (provided that moving to an affiliated company or a Subcontractor is not considered grounds for avoiding Key Personnel Liquidated Damages); or (c) such individual is unavailable due to either RCTC's failure to issue NTP1 within 180 days of the Proposal Date, or RCTC's failure to issue NTP2 within 365 days of the Proposal Date, for a reason other than the acts or omissions or any TSP-Related Entity, or any TSP Fault. In the event that clause (c) occurs, TSP shall, within 30 days after the issuance of NTP1 or NTP2, as applicable, propose to RCTC a replacement for such Key Personnel, which individual shall be subject to RCTC's review and written approval in accordance with the Submittal Process. Following any RCTC-approved substitution or replacement of a Key Personnel pursuant to the terms hereof, including as a result of an RCTC delay in issuance of NTP1 or NTP2, the new individual shall be considered a Key Personnel for all purposes under this Contract, including the provisions of this Section 15.7 relative to Key Personnel Liquidated Damages.

15.8 Disadvantaged Business Enterprise (DBE) Program

The Original Contract was subject to the federal Disadvantaged Business Enterprise (DBE) program requirements found at 49 CFR Part 26 (the DBE Regulations). For this reason, RCTC has adopted Department's Disadvantaged Business Enterprise Policy and has specified DBE requirements applicable to the I-15 Express Lanes Project in Exhibit 15. The purpose of the federal DBE program is to create a level playing field on which DBEs can compete fairly for contracts and subcontracts on the Project. The DBE Regulations were incorporated by reference as part of RCTC's Toll Services Contract-Specific DBE Requirements for the I-15 Express Lanes Project under the Original Contract.

15.8.1 Compliance

TSP has complied with the Toll Services Contract-Specific DBE Requirements set forth in Exhibit 15 and with the requirements of its DBE Performance Plan approved by RCTC.

15.8.2 DBE Participation – DBE Goal

TSP has exercised good faith efforts to meet the established DBE contract goal of 3.0% of the Total Capital Cost in the performance of the D&D Work under the Original Contract. RCTC

maintained oversight of TSP's activities, including those identified within the RCTC approved DBE Performance Plan, to ensure full compliance with the DBE requirements. This Contract does not have a DBE contract goal.

15.8.3 TSP Reporting Requirements

(a) In accordance with Section D(8) of Exhibit 15, TSP developed reporting formats, in a form acceptable to RCTC, to effectively provide updates to all DBE Performance Plan elements on a monthly basis.

(b) TSP submitted a monthly DBE report to RCTC no later than the 10th day of each month until TCS Acceptance under the Original Contract. The format and content of the report was developed by TSP, in accordance with the reporting requirements prescribed in the Toll Services Contract Specific DBE Requirements.

(c) Failure to submit the DBE reports by the 10th day of each month to RCTC would have resulted in the application of appropriate administrative sanctions, including withholding of payment to TSP of two (2) percent of the invoice amount due per month, until such time as a completed report is submitted. There are no reporting requirements under this Contract.

15.8.4 Calculation and Crediting of DBE Participation

DBE participation shall be credited and calculated in accordance with 49 CFR § 26.55.

15.8.5 DBE Program Records Management

TSP maintained and submitted monthly under the Original Contract all records substantiating the progress of DBE participation regardless of tier and demonstrating compliance with the Toll Services Contract Specific DBE Requirements for DBE prompt payment and payment of retainage, and such documentation, including copies of cancelled checks issued, unconditional waivers, and progress payment releases shall be made available for inspection upon request by RCTC. There are no reporting requirements under this Contract.

15.8.6 DBE Frauds and Fronts

Only legitimate DBEs are eligible to participate in federally funded contracts. Therefore, TSP shall not knowingly and willfully use "fronts" to attain DBE participation for the Toll Services. The use of "fronts" and "pass-through" Subcontracts to non-disadvantaged firms constitute criminal violations. Further, any indication of fraud, waste, abuse, or mismanagement of federal funds should be immediately reported to the Office of Inspector General, U.S. Department of Transportation, at the toll-free Fraud, Waste and Abuse Hotline, 800-424-9071.

SECTION 16 PERFORMANCE AND PAYMENT BONDS; GUARANTY; FINANCIAL INFORMATION

16.1 Provision of Bonds

TSP shall (a) provide and continuously maintain in place for the benefit of Agencies payment and performance bonds to Agencies securing TSP's obligations under this Contract, each in the

amount specified in Exhibit B, and (b) maintain such bonds in full force and effect as described in this Section 16.

16.1.1 TSP acknowledges and agrees that its Proposal Bond shall remain in place for a minimum of 365 days after the Proposal Date until NTP2 and shall be increased to the amount specified in Exhibit 2 from the Effective Date until NTP2. At RCTC's request, TSP shall extend and maintain the Proposal Bond, up to 540 days after the Proposal Date, in the event that NTP2 has not been issued as of the date that is 365 days after the Proposal Date.

16.1.2 RCTC will (a) release the Proposal Bond if a separate Bond is provided prior to or concurrently with the issuance of NTP1, or (b) upon NTP2 provided that no outstanding claims are then pending or threatened against TSP under this Contract and the Payment Bond and Performance Bond have been delivered to RCTC.

16.1.3 As a condition precedent to issuance of NTP2, TSP shall provide and maintain a Performance Bond in the form of Exhibit 11 (with such modifications as RCTC approves by Notice, in its sole discretion) for the D&D Work. The Performance Bond shall be in the amount specified in Exhibit 2. Subject to complying with Section 16.1.5, RCTC will release the Performance Bond upon TCS Acceptance, provided that no outstanding claims are then pending or threatened against TSP under this Contract.

16.1.4 As a condition precedent to issuance of NTP2, TSP shall provide and maintain a Payment Bond in the form of Exhibit 12 (with such modifications as RCTC approves by Notice, in its sole discretion) for the D&D Work. The Payment Bond shall be in the amount specified in Exhibit 2. Subject to complying with Section 16.1.5, RCTC will release the Payment Bond (a) upon receipt of (i) evidence satisfactory to RCTC that all Persons eligible to file a claim against the bond have been fully paid and (ii) unconditional releases of Liens and stop notices from all Subcontractors who filed preliminary notice of a claim against the Bond, or (b) upon expiration of the statutory period for Subcontractors to file a claim against the Bond if no Claims have been filed.

16.1.5 Payment and Performance Bonds shall be required as a condition precedent to issuance of NTP3. TSP shall provide and maintain Payment and Performance Bonds in the amount specified in Exhibit __. Agencies shall release the Performance Bond upon 91 EL Transition Acceptance. Agencies shall release the Payment Bond upon 91 EL Transition Acceptance, and satisfaction of the conditions identified above.

16.1.6 As a condition precedent to achieving TCS Acceptance, TSP shall provide and maintain (a) a Maintenance Performance Bond in the form of Exhibit 13 (with such modifications as RCTC approves by Notice, in its sole discretion), and (b) a Maintenance Payment Bond in the form of Exhibit 14 (with such modifications as Agencies approve in writing, in their sole discretion). The Maintenance Performance Bond and Maintenance Payment Bond shall be in the amount specified in Exhibit 2.

16.1.7 As a condition precedent to achieving 91 EL Transition Acceptance, TSP shall provide and maintain a (a) O&M Performance Bond, and (b) an O&M Payment Bond, each in the amounts specified in Exhibit ___. The bonds identified in this Section shall be in a form provided by Agencies, and shall take the place of the bonds identified in 16.1.6 above, which bonds shall be released upon acceptance of the bonds identified in this Section.

16.1.8 If Agencies exercise the Software Maintenance Option, then subject to the satisfaction of the conditions stated below for release of the Maintenance Performance Bond and the Maintenance Payment Bond, during the Software Maintenance Option Period, each of the Maintenance Performance Bond and the Maintenance Payment Bond may be reduced to an amount equal to the amount specified in Exhibit 2

16.1.9 TSP's obligation to maintain and provide a current Maintenance Performance Bond and Maintenance Payment Bond shall continue throughout the O&M Term. If Agencies exercise the Software Maintenance Option, TSP's obligation to maintain and provide the Maintenance Performance Bond and the Maintenance Payment Bond shall continue throughout the Software Maintenance Option Period, subject to reduction in amount as stated above. Notwithstanding the foregoing sentence, Agencies will accept a Maintenance Performance Bond and a Maintenance Payment Bond with a stated term of at least one year with a statement in the applicable bond that it shall be renewable annually in accordance with the surety's customary renewal practices.

16.1.10 If Agencies have not exercised the Software Maintenance Option and provided TSP has paid Agencies any amounts under this Contract, Agencies will release:

(a) The Maintenance Performance Bond(s) after the satisfaction of all conditions to Final Payment of the O&M Cost in accordance with Section 18.10; and

(b) The Maintenance Payment Bond (i) upon receipt of (A) evidence satisfactory to Agencies that all Persons eligible to file a Claim against the bond have been fully paid, and (B) unconditional releases of Liens and stop notices from all Subcontractors who filed preliminary notice of a Claim against the Bond, or (ii) upon expiration of the statutory period for Subcontractors to file a claim against the Bond if no Claims have been filed.

16.1.11 If Agencies exercise the Software Maintenance Option, Agencies will release:

16.1.11.1 The Maintenance Performance Bond(s) after satisfactory completion of all Software maintenance work TSP is obligated to perform prior to the end of the Software Maintenance Option Period; and

16.1.11.2 The Maintenance Payment Bond (i) upon receipt of (A) evidence satisfactory to Agencies that all persons eligible to file a Claim against the Bond have been fully paid, and (B) unconditional releases of Liens and stop notices from all Subcontractors who filed preliminary notices of a Claim against the Bond, or (ii) upon expiration of the statutory period for Subcontractors to file a Claim against the Bond if no Claims have been filed.

16.1.12 Each Bond shall be issued by an Eligible Surety authorized to do business in the State and listed on United States Department of the Treasury's Listing of Approved Sureties and otherwise approved by Agencies in their sole discretion. If any Bond previously provided becomes ineffective, or if the Eligible Surety that provided the Bond no longer meets the Contract requirements, TSP shall provide a replacement Bond in the same form issued by an Eligible Surety. If the Contract Price is increased in connection with a Change Order, Agencies may, in their sole discretion, require a corresponding proportionate increase in the amount of each Bond or alternative security.

16.2 No Relief of Liability

16.2.1 No draw under any Bond shall preclude, inhibit, alter or modify Agencies' rights to exercise any and all other rights under this Contract, at law or in equity; except that any recovery under any bond shall reduce the obligations of Guarantor under any Guaranty.

16.2.2 Notwithstanding any other provision of this Contract, performance by a Surety or Guarantor of any of the obligations of TSP shall not relieve TSP of any of its obligations under this Contract.

16.3 Guaranty

16.3.1.1 The Guarantor shall provide and maintain the guaranty, in the form of Exhibit 17 in full force and effect throughout the Term.

16.3.1.2 If, at any point during the Term, the Guarantor's financial capacity is materially negatively affected, as determined by Agencies, in their good faith discretion, Agencies may require, and TSP shall provide, one or more additional guarantees so that the combined financial capacity of the Guarantor and the additional guarantors provides equivalent security to Agencies as the guaranty provided as of the Effective Date. Each such additional guaranty shall be substantially in the form provided in Exhibit 17, together with appropriate evidence of authorization, execution, delivery and validity of such guarantee.

16.4 Periodic Updated Financial Information

16.4.1 Each year during the Term, within 60 days following the completion of TSP's and the Guarantor's annual audited financials, TSP shall deliver to Agencies:

(a) The audited financial statements for the prior year, audited by a certified public accountant in accordance with generally accepted accounting principles (GAAP) for TSP, its equity members and each Guarantor. If an entity does not have individual financial statements, but, rather, financial statements are prepared on a consolidated basis for that entity and other entities, the consolidated financial statements shall be acceptable. Financial statements must be provided in U.S. dollars. If financial statements submitted are prepared in accordance with other than U. S. GAAP, TSP shall include a letter from the entity's chief financial officer, treasurer, or certified public accountant discussing the areas of the financial statements that would be materially affected by a conversion to U.S. GAAP and providing an estimate of changes required to recalculate in accordance with U.S. GAAP. If audited financials are not available TSP shall include unaudited financials for such member, certified as true, correct and accurate by the chief financial officer or treasurer of the entity. Provision of financial statements and information for a parent company or other affiliate will not be sufficient to satisfy the requirement to provide financial statements;

(b) Any financial ratings obtained; and

(c) The most recent United States Securities and Exchange Commission 10 K and 10 Q reports and any 8-Ks filed since submission of the prior year's financial information (if TSP is publicly held or otherwise required to make such filings).

16.4.2 Within 30 Business Days or NTP1 and otherwise 60 days prior to the end of each year during the Term, TSP shall provide to Agencies, for review and approval in accordance with the

Submittal Process, separate Audited Overhead for field and office work to be applicable for the forthcoming year, including a breakdown to verify all components of each Audited Overhead. For the purposes of this Section 16.4.2, (a) the office Audited Overhead will be applied where the relevant employee spends 50% or more of their time performing office related functions and (b) the field Audited Overhead will be applied where the relevant employee spends 50% or more of their time performing field related functions.

SECTION 17 INSURANCE

17.1 General

The insurance provided under this Contract shall be available for the benefit of Agencies and TSP with respect to covered claims, but shall not be interpreted to relieve TSP of any obligations under this Contract. All insurance required under this Contract shall be procured from insurance or indemnity companies with an A.M. Best and Company rating level of A- or better, Class VII or better, or as otherwise approved by Agencies and authorized or approved to do business in the State. All insurance coverage and limits provided by TSP and available or applicable to this Contract are intended to apply to the full extent of the policies. Nothing contained in this Contract limits the application of such insurance coverage.

17.2 TSP Provided Insurance

As a condition to issuance of (a) NTP1, with respect to the NTP1 Work; and (b) NTP2 will respect to the NTP2 Work, TSP shall provide and maintain insurance in accordance with this Contract in full force and effect throughout the Term. TSP may satisfy these requirements for specific coverages and limits through various methods including the use of combined forms, e.g., professional liability and technology errors and omissions liability, to meet coverage requirements and combinations of primary and excess policies for achieving required limits. Use of such options is permissible provided that the resulting insurance policies meet all the requirements specified in this Section 17 and are approved in advance by Agencies in accordance with the Submittal Process.

17.2.1.1 Commercial General Liability Insurance

(a) For the duration of the Term, TSP shall obtain and maintain a policy or policies of commercial general liability insurance for bodily injury, property damage, personal injury and advertising injury.

(b) Coverage shall be written on an occurrence form that shall provide coverage at least as broad as and no more restrictive than the coverage provided by Insurance Services Office (ISO) form CG 00 01.

(c) There shall be no endorsement or modification of the CGL policy limiting the scope of coverage for liability assumed under an insured contract, unless such endorsement or modification is submitted to and approved in advance by Agencies.

(d) Such insurance shall add as insureds, or include as additional insureds, the Indemnified Parties. The commercial general liability insurance coverage shall have limits of not less than $5,000,000 per occurrence, $10,000,000 general aggregate and $2,000,000

products/completed operations aggregate. Completed operations coverage shall extend for as long as there is any exposure to liability under a statute of repose or any other applicable statute either through continuous maintenance of completed operations coverage in TSP's corporate insurance program, including an endorsement providing completed operations coverage for additional insureds, or by purchase of extended completed operations coverage.

17.2.1.2 Workers' Compensation Insurance

For the duration of the Term, TSP shall obtain and maintain and shall require all Subcontractors of all tiers to obtain and maintain, a policy or policies of insurance providing workers' compensation statutory benefits and employer's liability in conformance with the Governmental Rules of the State. Employer's liability limits shall be no less than $1 million each accident, each employee, and shall be scheduled under the excess or umbrella liability policies. The workers' compensation policies shall provide the following:

1. A waiver of subrogation in favor of the Indemnified parties;

2. A provision extending coverage to all states operations; and

3. Coverage for liability under the United States Longshore and Harbor Workers' Compensation Act by adding a Longshore and Harbor Workers' Compensation Act coverage endorsement (WC 00 01 06) on an "if any" basis or as otherwise appropriate.

17.2.1.3 Business Automobile Liability Insurance

(a) For the duration of the Term, TSP shall obtain and maintain and shall require all Subcontractors of all tiers to obtain and maintain a business auto liability policy or policies for those firms with owned or leased autos. Firms that do not own autos must arrange non-owned and hired coverage through a commercial general liability or other liability policy. Each policy shall cover accidental death, bodily injury and property damage liability arising from the ownership, maintenance, or use of all vehicles connected with performance of the Work, including loading and unloading. TSP auto liability policies shall cover "any auto" (symbol 1). Policies shall include as an insured anyone liable for the conduct of an insured as defined in the policy, or shall add as insureds, the Indemnified Parties. For any contractor of any tier, including TSP, who will be involved in any way with the transportation of Hazardous Materials using its own vehicles, pollution liability coverage at least as broad as that provided under the ISO pollution liability-broadened coverage for covered autos endorsement (CA 99 48) shall be provided and the automobile liability insurance policies shall be endorsed to include Motor Carrier Act Endorsement-Hazardous materials clean up (MCS-90) with a sublimit of no less than $1,000,000.

(b) TSP's automobile liability coverage shall have a combined single limit per policy period of not less than $10,000,000 and may be scheduled under the excess or umbrella liability policies to achieve the desired limit. Excess or umbrella policies shall cover "any auto" (symbol 1). The required limits can be satisfied by a combination of a primary policy and an excess or umbrella policy.

17.2.1.4 Umbrella or Excess Liability Insurance

(a) For the duration of the Term, TSP shall obtain and maintain an umbrella or excess liability insurance policy to provide a total liability limit of not less than $10,000,000, that will provide bodily injury, personal injury and property damage liability coverage on an occurrence basis at least as broad as the primary coverages set forth above including commercial general liability and employer's liability in excess of the amounts set forth above.

(b) Such policy or policies shall include the following terms and conditions:

1. Policies shall contain a drop down feature requiring the policy to respond in the event that any primary insurance limits are exhausted or for occurrences covered by an umbrella policy but not covered in the underlying insurance;

2. Policies shall provide coverage at least as broad as found in the underlying primary policies;

3. Such insurance shall add as insureds, or include as additional insureds, the Indemnified Parties; and

4. There shall be no additional limiting endorsements that are not in the primary policy or that have not been reviewed and approved by the Indemnified Parties or their representatives.

17.2.1.5 Technology Errors and Omissions Liability Insurance and Network Security / Privacy Coverage

For the duration of the Term, TSP shall obtain and maintain and shall require all Subcontractors with access to sensitive information to obtain and maintain a policy or policies of insurance, including technology errors and omissions, network security/privacy coverage, with limits of not less than fifteen million dollars ($15,000,000) per incident and in the aggregate. The policy shall apply on a primary and noncontributory basis and shall cover wrongful acts of the named insured.

If written on a "claims made" basis, policy shall include prior acts at least as far in the past as the Effective Date. Coverage shall apply to both electronic and physical breaches and to data. Information in the care, custody, or control of vendors shall be covered, including coverage for "cloud" systems or for data transferred by a third party. Coverage shall apply to accidental losses as well as breaches perpetrated by outsiders or employees. Agencies shall be additional insureds on the policy for its vicarious liability arising out of the negligent acts, errors or omissions of TSP or those working directly or indirectly for TSP. There shall be no insured versus insured exclusion applicable to Agencies as additional insureds. There shall be no exclusion for liability assumed pursuant to an indemnity or hold harmless provision in a contract for covered services arising from the named insured's wrongful acts. The insurance to be obtained under this Contract shall remain in effect for a period of no less than three (3) years from the Expiry Date.

(a) Technology Errors and Omissions Liability Insurance shall include:

1. Software design;

2. System programming;

3. Data processing;

4. Systems integration;

5. Outsourcing, including outsourcing development and design;

6. Systems design, consulting, development, and modification;

7. Management, repair, and maintenance of computer products, networks, and systems

8. Marketing, selling, servicing, distributing, installing, and maintaining computer Hardware or Software; and

9. Data entry, modification, verification, maintenance, storage, retrieval, or preparation of data output.

(b) Network security/privacy coverage shall include:

1. Hostile action or a threat of hostile action with the intent to affect, alter, copy, corrupt, destroy, disrupt, damage, or provide unauthorized access/unauthorized use of a computer system, including exposing or publicizing confidential electronic data or causing electronic data to be inaccessible;

2. Computer viruses, Trojan horses, worms, and any other type of malicious or damaging code;

3. Dishonest, fraudulent, malicious, or criminal use of a computer system by a person, whether identified or not, and whether acting alone or in collusion with other persons, to affect, alter, copy, corrupt, delete, disrupt, or destroy a computer system or obtain financial benefit for any party or to steal or take electronic data;

4. Loss of service for which TSP or its Subcontractor or consultant is responsible that results in the inability of a third party, that is authorized to do so, to gain access to a computer system and conduct normal Internet or network activities;

5. Access to a computer system or computer system resources by an unauthorized person or an authorized person in an unauthorized manner; and

6. Loss or disclosure of PII or confidential information no matter how such loss occurs.

17.2.1.6 Crime Insurance

TSP shall obtain and maintain and shall require all Subcontractors with access to sensitive information to obtain and maintain Crime (Blanket Fidelity) insurance with limits of not less than $5,000,000 covering employee dishonesty, forgery and alteration, and “all risks” of loss or destruction of moneys and securities held by TSP or its Subcontractors in the performance of the O&M Work.

17.2.1.7 Professional Liability Insurance (Required only if not covered under the form required in Section 17.2.1.5)

(a) Unless explicitly covered under the Technology Errors and Omissions Liability Insurance, for the duration of the Term, TSP shall obtain and maintain or cause others, as appropriate, to obtain and maintain liability insurance for covering loss in connection with Nonconformances in the performance of services in connection with this Contract, with limits not less than $5,000,000 per claim and in the aggregate.

(b) No self-insured retention for TSP shall exceed $250,000 without prior written approval from Agencies, in their good faith discretion. Coverage shall apply specifically to professional activities performed under this Contract. The policy(ies) shall have a retroactive date consistent with the inception of the first date of design or project or construction management activities, and no later than the date on which the RFP was issued.

(c) TSP agrees to maintain this required coverage for a period of no less than three years after TCS Acceptance or to purchase an extended reporting period for no less than three years after TCS Acceptance. The coverage shall include all TSP-Related Entities that are performing design services with respect to the Toll Services.

(d) Agencies and the other Indemnified Parties shall be added as additional insureds for professional liability or errors and omissions insurance, but only for Losses (i) first made or incurred on or after the Effective Date and (ii) for vicarious or imputed liability of the additional insureds that results from wrongful acts committed solely by the named insured.

17.2.1.8 Commercial Property Insurance

(a) For the duration of the Term, TSP shall obtain and maintain commercial property insurance covering fixtures, equipment, tenant improvements and betterments at the ROC location. Commercial property insurance shall, at minimum, cover the perils insured under the ISO special causes of loss form CP 10 30. The insurance shall cover the replacement cost of the property insured. There shall be no coinsurance requirement in the policy or any such requirement shall be eliminated by the attachment of an agreed amount endorsement. Agencies shall be included as insureds under the insurance policy.

(b) TSP may, at its option and cost, purchase coverage for TSP's personal property, business income, business interruption, extra expense or similar coverage as part of this commercial property insurance, and in no event shall Agencies be liable for any loss to TSP's personal property, business interruption or other consequential loss sustained by TSP, whether or not it is insured, even if such loss is caused by the negligence of Agencies, their employees, officers, directors, or agents.

(c) Agencies and TSP waive any recovery of damages against each other (including their employees, officers, directors, agents, or representatives) for loss or damage to the tenant improvements and betterments, fixtures, equipment, and any other personal property to the extent covered by the commercial property insurance required in this Section 17.2.1.8. If the commercial property insurance purchased by TSP as required under this Contract does not allow the insured to waive rights of recovery against others prior to loss, TSP shall cause the policy to be endorsed with a waiver of subrogation in favor of Agencies, their employees, officers, officials, or agents.

(d) Any deductibles applicable to the commercial property insurance purchased in compliance with the requirements above shall be approved by Agencies, and shall be the sole

responsibility of TSP. If any loss settlement payable to Agencies are reduced by a deductible, TSP shall reimburse Agencies for the amount of by which the loss payment is reduced because of the deductible.

17.2.1.9 Other Insurance

If TSP intends to perform or contract for performance of any of the following activities, TSP must first: (a) inform Agencies or their Representatives of the intent to conduct such activities; (b) obtain approval for such activities; and (c) provide evidence of insurance for such activities in accordance with the requirements of Agencies. No such activities shall commence prior to TSP obtaining Agencies approval and providing the required evidence of insurance:

1. Use of watercraft 26 feet or longer;
2. Use of aircraft;
3. Excavation;
4. Work within 50 feet of a railroad.

17.3 General Insurance Requirements

17.3.1 Premiums, Deductibles and Self-Insured Retentions

TSP shall timely pay the premiums for all insurance required under this Section 17. TSP agrees that, for each claim, suit or action made against insurance provided under this Contract, with respect to all matters for which TSP is responsible under this Contract, TSP shall be solely responsible for all deductibles, self-insured retentions and loss in excess of the coverage provided.

17.3.2 Verification of Coverage

(a) Evidence of Insurance. Upon the Effective Date, TSP will deliver to Agencies (1) a certificate of insurance with respect to each policy required to be provided by TSP under this Section 17 and (2) copies of all endorsements to the policies that evidence compliance with requirements of this Section 17, including additional insured endorsements. Agencies have no duty to pay or perform under this Contract until such certificate(s) and endorsements, in compliance with all requirements of this Section 17, have been provided. Upon Agencies' request in conjunction with a dispute, claim, item for which the insurance required under this Contract is contemplated to cover and/or Agencies' reasonable belief that TSP has not complied with this Section 17, TSP shall provide to Agencies certified, true and exact copies of each of the insurance policies (including renewal policies) required under this Section 17. TSP acknowledges and agrees that any actual or alleged failure on the part of Agencies to inform TSP of non-compliance with any requirement imposes no additional obligations on Agencies nor does it waive any rights under this Contract.

(b) Renewal Policies. TSP shall promptly deliver to Agencies a certificate of insurance and copies of all endorsements with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverages for the terms specified herein. Such evidence of insurance shall be delivered prior to the expiration date of any policy. If certificates

and endorsements are not available prior to renewal, TSP shall provide a binder or equivalent form of evidence of renewed insurance for each expired line of insurance until policy certificates and endorsements are available. Policies and endorsements shall be forwarded promptly to Agencies, but in no event later than 30 days after policy renewal. If requested by Agencies from time to time, certified duplicate copies of the renewal policy shall also be provided. To the extent TSP is unable to deliver such evidence of insurance by the specified date through no fault of TSP and despite making its best efforts and provided that such certificate is delivered prior to the expiration date of the relevant policy, TSP will not be deemed to be in default of this Section 17 for the purposes of Section 23. However, in the event that TSP is unable to deliver such evidence of insurance as provided in this Section 17.3.2(b), TSP shall provide some other form of evidence of coverage prior to expiration of the current policy. Such evidence may include a binder of insurance or other form of written confirmation signed by TSP's insurance broker or insurer representative indicating that such coverage has been bound. The required evidence of insurance shall be provided as soon as it is available but in no case later than three (3) Business Days after the renewal policies have incepted.

17.3.3 Subcontractor Insurance Requirements

TSP shall cause each Subcontractor to provide insurance that complies with requirements for TSP-provided insurance in Section 17.2.1.1, 17.2.1.2, and 17.2.1.3 (if autos will be used in performing the work) of this Contract in circumstances where the Subcontractor is not covered by TSP-provided insurance and provided that TSP has sole responsibility for determining the limits of coverage required to be obtained by Subcontractors, which determination shall be made in accordance with reasonable and prudent business practices. TSP shall also require any other type of insurance that TSP determines to be appropriate for the nature of the subcontracted work. TSP shall cause each such Subcontractor to include each of the Indemnified Parties as additional insureds under such Subcontractor's general liability and auto liability insurance policies. TSP shall require each such Subcontractor to waive its rights of recovery against the indemnified parties and to require that its workers' compensation insurer agrees to waive any subrogation rights the insurers may have against the Indemnified Parties. If requested by Agencies, TSP shall promptly provide certificates of insurance evidencing coverage for each Subcontractor. Agencies may contact the Subcontractors directly in order to verify the above coverage.

17.3.4 Endorsements and Waivers

All insurance policies required to be provided by TSP under this Contract shall contain or be endorsed to comply with the following provisions, provided that, for the workers' compensation policy only, Section 17.3.4(c) shall not apply:

(a) For claims covered by the insurance specified under this Contract, insurance coverage shall be primary insurance with respect to the insureds, additional insureds, and their respective members, directors, officers, employees, agents and consultants, and shall specify that coverage continues notwithstanding the fact that TSP has left the Site. Any insurance or self-insurance beyond that specified in this Contract that is maintained by an insured or additional insured shall be in excess of such insurance and shall not contribute with it.

(b) The insurance shall apply separately to each insured and additional insured against whom a claim is made or suit is brought, except with respect to the aggregate limits of the insurer's liability.

(c) All endorsements adding additional insureds to required policies shall be on ISO form CG-20-10-01 or an equivalent form(s) providing additional insureds with coverage for "completed operations." If equivalent form(s) are used, TSP shall ensure that such form(s) provides coverage equivalent to the 1985 Form with respect to liability arising from performance of the Toll Services irrespective of where it is performed and that completed operations coverage for additional insureds is afforded. Such completed operations coverage for additional insureds may be provided on a separate endorsement such as ISO form CG 20 37.

17.3.5 Waivers of Subrogation

Agencies and TSP waive all rights against each other, against each of their respective agents and employees and against Subcontractors and their respective members, directors, officers, employees, agents and consultants for any claims, to the extent covered by insurance obtained in accordance with this Section 17, except such rights as they may have to the proceeds of such. TSP shall require all Subcontractors to provide similar waivers in writing each in favor of all other parties enumerated above. Each policy, including workers' compensation, shall include a waiver of any right of subrogation against the additional insureds (and their respective members, directors, officers, employees, agents and consultants).

17.3.6 Changes in Requirements

Agencies shall provide Notice of any changes in the requirements applicable to insurance required to be provided by TSP which may be subject to a Change Order in accordance with Section 20.

17.3.7 No Recourse

There shall be no recourse against Agencies for payment of premiums or other amounts with respect to the insurance required to be provided by TSP under this Contract.

17.3.8 Support of Indemnifications

The insurance coverage provided under this Contract by TSP is not intended to limit TSP's indemnification obligations under Section 24.

17.3.9 Commercial Unavailability of Required Coverages

If, through no fault of TSP, any of the coverages required in this Section 17 (or any of the required terms of such coverages, including policy limits) become unavailable or are available only with commercially unreasonable premiums, Agencies will work with TSP to find commercially reasonable alternatives to the required coverages that are acceptable to Agencies. TSP shall not be entitled to any increase in the Contract Price for increased costs resulting from the unavailability of coverage and the requirement to provide acceptable alternatives. Agencies shall be entitled to a reduction in the Contract Price if they agree to accept alternative policies providing less than equivalent coverage, with the amount to be determined by extrapolation using the insurance quotes included in the Escrowed Proposal Documents (or based on other evidence of insurance premiums as of the Proposal Date if the EPD does not provide adequate information. Agencies' right to a reduction in the Contract Price in the preceding sentence shall be without

regard to the insurance costs expended by TSP for the less than equivalent coverage or on other insurance required under this Section 17.

17.3.10 Notice of Change or Cancellation of Coverage

TSP shall provide Notice to Agencies immediately upon becoming aware of any change or pending change in coverage or of any modification or reduction in coverage or limits.

17.4 Prosecution of Claims

Unless otherwise directed by Notice from Agencies, TSP shall report and process all potential claims under the insurance required to be provided under this Section 17. TSP shall report timely to the insurer(s) any and all matters which may give rise to an insurance claim and to promptly and diligently pursue any and all insurance claims on behalf of Agencies, whether for defense or indemnity or both. An Agency shall promptly Notify TSP of the Agency's incidents, potential claims, and matters which may give rise to an insurance claim by the Agency, to tender its defense or the claim to TSP, and cooperate with TSP as necessary for TSP to fulfill its duties under this Contract.

17.5 Commencement of Work

TSP shall not commence the Toll Services until it has obtained the insurance required under this Section 17, has furnished original certificates of insurance and endorsements as required evidencing the coverage as required under Section 17.3.2 and such insurance has been approved in writing by Agencies. TSP shall not allow any Subcontractor (or shall such Subcontractor be entitled) to commence work under its Subcontract until the insurance required of the Subcontractor has been obtained and approved by TSP. No delay in securing such insurance, certificates of insurance or approvals shall extend any time period or Completion Deadline or provide TSP any other relief or entitlement for a Change Order.

17.6 Agencies' Right to Remedy Breach by TSP

If TSP or any Subcontractor fails to provide insurance as required under this Contract, Agencies may purchase such insurance or to suspend TSP's right to proceed until proper evidence of insurance is provided. Any amounts paid by Agencies shall, at Agencies' sole option, be deducted from amounts payable to TSP or reimbursed by TSP upon demand, with interest thereon from the date of payment by Agencies to the reimbursement date, at the maximum rate allowable under applicable Governmental Rule. Nothing under this Contract shall preclude Agencies from exercising their rights under Section 23 as a result of the failure of TSP or any Subcontractor to satisfy the obligations of this Section 17.

17.7 Disclaimer

TSP and each Subcontractor have the responsibility to make sure that their insurance programs fit their particular needs, and it is their responsibility to arrange for and secure any insurance coverage which they deem advisable, whether or not specified under this Contract. Agencies make no representation or warranty that the coverage, limits of liability or other terms specified for the insurance policies to be carried in accordance with this Section 17 are adequate to protect

TSP against its undertakings under this Contract or its liability to any third party or preclude Agencies from taking any actions as are available to it under this Contract or otherwise at law.

SECTION 18 PAYMENT FOR TOLL SERVICES

18.1 Toll Services Compensation Under Original Contract

The Parties recognize that payment in full for NTP1 Work, NTP2 Work and final payment for Total Capital Cost have been made and that Sections 18.2 through 18.6 have been retained from the Original Contract for reference only. No additional payment shall be made by RCTC under Sections 18.2 through 18.6.

18.2 Payment for NTP1 Work

18.2.1 In consideration of performance of the NTP1 Work in compliance with the Contract, RCTC will pay TSP for the NTP1 Work no more often than once monthly after NTP1 and only based on the following:

(a) The amounts listed in Payment Milestones 1 and 2 no more often than once monthly, up to a maximum of $1,000,000; and

(b) Subject to Section 18.2.4, for bond and insurance premiums for NTP1 Work, actually paid, without markup, profit or overhead, not to exceed the Line Items for such premiums set forth on Price Sheet J-2, Lines 36-45 or 47-56, as applicable, in Exhibit 3.

18.2.2 Payments described in Section 18.2.1 will be made no more often than monthly and only based on complete submission and RCTC approval of the deliverables or Work required for completion of the Payment Milestones for which TSP is requesting payment. Invoices for work authorized by NTP1 shall comply with the provisions of Section 18.4. Invoices for premiums for bonds and insurance for NTP1 Work shall comply with the provisions of Section 18.2.4.

18.2.3 TSP shall not submit an invoice, nor shall TSP be entitled to compensation, for any NTP2 Work prior to the issuance of NTP2, even if a Payment Milestone for such NTP2 Work has been completed prior to issuance of NTP2. If NTP2 is not issued, no Payment Milestone for NTP2 Work shall be compensable.

18.2.4 RCTC is not responsible for the payment of any increases or adjustments in bond or insurance premiums resulting from adverse changes in TSP's financial condition, TSP's risk rating or experience or any TSP Fault.

18.3 Total Capital Cost

18.3.1 The Total Capital Cost and reimbursement of certain Pass-Through Cost Items is the complete compensation payable to TSP for the performance of the D&D Work and the CSC Commencement Period Toll Services. The Total Capital Cost is the sum of the Total D&D Cost, the Total Bonds and Insurance Cost and the Total CSC Commencement Period Cost.

18.3.2 Subject to Section 18.2, RCTC shall pay the Total D&D Cost to TSP in accordance with each of the Payment Milestones actually completed in accordance with this Contract during the immediately preceding month, subject to the provisions of Section 18.6.1. Payment for specific

Payment Milestones will be calculated as the percentage of the Total D&D Cost allocated to such Payment Milestone in Exhibit 19.

18.4 Invoices and Payment after NTP2

18.4.1 TSP shall prepare a proposed standard form invoice for RCTC's review and approval in accordance with the Submittal Process prior to submitting its first invoice for any component of the Total Capital Cost.

18.4.2 On or before the 25th day of each month following issuance of NTP2 and during the D&D Phase, TSP shall submit to RCTC a draft invoice in the form approved by RCTC, including:

(a) The portion of the Total Capital Cost allocable to the D&D Work or CSC Commencement Period Toll Services actually performed by TSP during the prior month in accordance with this Contract, based on the percentage of compensation specified for the Payment Milestones actually completed during such prior month and the monthly compensation for CSC Commencement Period Toll Services;

(b) The D&D Monthly Progress Report;

(c) Any part of the Total Bonds and Insurance Cost actually paid by TSP during such prior month;

(d) Any Pass-Through Items payable in connection with the CSC Commencement Period;

(e) Any amounts otherwise payable in accordance with this Contract;

(f) A certification by TSP in the in the form of Exhibit 16, signed and sealed by TSP's Representative;

(g) The amount payable with respect to any Change Order including;

(i) In the case of amounts to be paid on a Unit Price basis and PassThrough Items, includes invoices, receipts or other evidence establishing the number of units delivered and the actual payments made by TSP;

(ii) In the case of amounts invoiced for Time and Materials Work, includes all supporting documentation described in Section 20.13.2 for Time and Materials Work done during the applicable period as if such work were Time and Materials Work;

(h) The amounts paid to Subcontractors (including Suppliers and Subcontractors from the payments made by RCTC to TSP with respect to the prior month's invoice;

(i) Affidavits of payment and unconditional waivers of Liens and claims executed by TSP and each Subcontractor with respect to all amounts paid in the prior month's invoice;

(j) All materials, reports, certifications, and other submittals identified in TP Section 8.8.6;

(k) Subcontractor payment releases shall be in the form set forth in United States Civil Code Sections 8132 through 8138;

(l) Any other Deliverables that this Contract requires to be included with invoice packages;

(m) A summary of Equipment and Hardware acceptance documentation to verify the Equipment and Hardware incorporated in the monthly progress estimate and stored Equipment and Hardware;

(n) In the case of amounts invoiced for Equipment and Hardware, a bill of sale and other appropriate documentation transferring title to such Equipment and Hardware to RCTC free and clear of any Liens; and

(o) Such other supporting documentation reasonably requested by RCTC to enable RCTC to fully and accurately determine (without needing to refer to any other documentation or information) the amounts payable by RCTC to TSP.

18.4.3 TSP shall not invoice for any amounts that are in dispute solely between TSP and a Subcontractor or Supplier which TSP will not pay to such Subcontractor or Supplier at the time the invoice is submitted, until such time as the dispute is resolved.

18.4.4 No invoice shall be considered complete unless, at each progress meeting, TSP's and RCTC's Representatives shall ascertain the progress of the D&D Work and CSC Commencement Period Toll Services and verify the quantities for any unit priced Work and Pass-Through Cost Items. Each Progress Meeting shall be attended by TSP and RCTC and/or its consultants and may also be attended by Department.

18.4.5 RCTC shall pay TSP the Total CSC Commencement Period Cost monthly in arrears for two months commencing upon CSC Commencement.

18.4.6 If the CSC Commencement Period is extended for a reason that entitles TSP to an extension of the Revenue Service Commencement Deadline under this Contract, then RCTC shall continue to pay TSP for the extended CSC Commencement Period at the monthly Total CSC Commencement Period Cost Unit Price until the extended Revenue Service Commencement Deadline.

18.4.7 If the CSC Commencement Period is extended for a reason that does not entitle TSP to an extension of the Revenue Service Commencement Deadline under this Contract, then RCTC shall not be required to make any further payment to TSP with respect to the CSC Commencement Period or otherwise make a Claim under this Contract.

18.5 Updated Invoice after Progress Meeting

18.5.1 Following the Progress Meeting, TSP shall submit to RCTC three (3) copies of an updated invoice consistent with Section 18.4.2 for the D&D Work and CSC Commencement Period Toll Services during the immediately preceding month. The form of invoice shall be modified as appropriate to account for Unit Price, Pass-Through Cost Items and Time and Materials Work.

18.5.2 Each invoice shall be based upon the approved draft invoice and may not include any amounts not approved by RCTC in the Progress Meeting reviewing the draft invoice.

18.5.3 TSP acknowledges that RCTC will obtain funding for portions of the D&D Work and CSC Commencement Period Toll Services from various sources, and agrees to segregate billings for the D&D Work and CSC Commencement Period Toll Services in a format reasonably requested by RCTC and with detail and information as reasonably requested by RCTC. Within ten (10) Business Days after RCTC's receipt of the invoice, RCTC will review the invoice and all attachments for consistency with the draft invoice prepared at the most recent Progress Meeting and conformity with all requirements of this Contract, and shall notify TSP of the amount approved for payment and specify the reason for disapproval of any remaining invoiced amounts. TSP may include such disapproved amounts in the next month's invoice after correction of the deficiencies noted by RCTC (all such disapproved amounts shall be deemed in dispute unless otherwise agreed).

18.6 Final Payment for Total Capital Cost

18.6.1 Final Payment of the Total Capital Cost following TCS Acceptance shall not become due to TSP under this Contract until TSP submits to RCTC:

(a) TSP's Final Payment invoice and certification in form approved by RCTC and otherwise meeting all requirements for the Total Capital Cost Invoices under Section 18.4;

(b) An affidavit that all payrolls, bills for materials, equipment, services and other indebtedness connected with the D&D Work and CSC Commencement Period Toll Services have been paid or otherwise satisfied;

(c) Releases and waivers from TSP in favor of RCTC of all Liens, Claims (except those previously made in writing and identified as unsettled or Claims which TSP may be entitled to assert against RCTC with respect to RCTC's material breach of its obligations under this Contract to be performed after Final Payment), security interests and encumbrances in connection with the D&D Work and CSC Commencement Period Toll Services, whether known or unknown, suspected or unsuspected;

(d) For each Subcontractor or Supplier receiving Subcontracts, purchase agreements or purchase orders in a cumulative amount of $15,000 or more, written evidence that such Subcontracts, purchase agreements and purchase orders contain the following provision: "The Supplier/Subcontractor agrees that receipt of Final Payment under this Contract constitutes full and unconditional release and waiver, in favor of RCTC, and TSP, from all Liens, Claims, security interests or encumbrances, known or unknown, suspected or unsuspected, in connection with this Purchase Contract/Purchase Order/Subcontract for the materials, equipment, services and other work provided under this Contract";

(e) Materials acceptance certification documents, on RCTC forms or other forms RCTC approves in accordance with the Submittal Process;

(f) A complete set of As-Built Technical Drawings;

(g) All operation and maintenance manuals and other manuals and procedures to be provided by TSP under this Contract;

(h) A consent of the surety under the Payment Bond and Performance Bond to Final Payment;

(i) Bills of sale or other instruments of title transfer or assignment with respect to Work Product, as requested by RCTC, free and clear of liens, claims and encumbrances;

(j) Affidavits of prevailing wages paid, signed and submitted by TSP and each Subcontractor required to submit such an affidavit under California Labor Code § 1775(b)(4) in the form required under Governmental Rules or Toll Services Standards;

(k) Assignment to RCTC of all right, title and interest in and to all claims and causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15), or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, Equipment, Hardware, Software or materials in accordance with this Contract or any Subcontract; and

(l) Such other supporting documentation reasonably requested by RCTC to enable RCTC to fully and accurately determine (without needing to refer to any other documentation or information) the amounts payable by RCTC to TSP.

18.6.2 RCTC will review TSP's proposed final invoice for the D&D Work and CSC Commencement Period Toll Services, and changes, comments or corrections will be forwarded to TSP for correction within 20 Business Days after receipt of the proposed final invoice.

18.6.3 Any changes or corrections made under this Section 18.6.3 will be reflected in an updated monthly payment schedule showing the net amount owed to TSP by month.

18.7 Total 91 Express Lanes Integration Costs and Total O&M Cost

18.7.1 Except as otherwise expressly provided in Section 20, the complete compensation payable to TSP by Agencies under this Contract is, respectively:

The RCTC O&M Contract Price and the OCTA O&M Contract Price; and

Reimbursement of certain actual direct costs for Pass-Through Cost Items specified in Exhibit 7.

18.7.2 The RCTC O&M Contract Price and the OCTA O&M Contract Price are comprised of the following elements: (a) Total 91 Express Lanes Integration Costs (b) Total O&M Cost for each Agency. The RCTC O&M Contract Price also includes the Refresh Work.

18.7.3 Except as otherwise expressly provided in Section 20, the O&M Contract Price for each Agency shall not be modified.

18.7.4 The O&M Contract Price for each Agency shall be invoiced and paid in accordance with this Section 18.

18.7.5 Except as provided in this Section 18.7, the Total O&M Cost is the complete compensation to be paid for O&M Term for performance of the O&M Work.

18.7.6 Subject to the invoice requirements and procedures as specified in Section 18.8 and the procedure for establishing a budget for Pass-Through Cost Items in Section 18.17, Agencies shall pay TSP:

18.7.6.1 The Total O&M Cost. The Total O&M Costs are as further detailed in Exhibit 26. In no event shall either RCTC or OCTA have any joint liability for payment to TSP.

18.7.6.2 Bond and Insurance

TSP's cost for the bonds and insurance policies actually paid, without markup, profit or overhead, not to exceed the Line Items for such premiums set forth on Price Sheet J-2, Lines 36-45 or 47-56 (as applicable) in Exhibit 3. Agencies are not responsible for the payment of any increases or adjustments in bond or insurance premiums for any reason, including resulting from adverse changes in TSP's financial condition, TSP's risk rating or experience or any TSP Fault.

18.7.6.3 Pass-Through Costs

TSP's actual Costs incurred for the Pass-Through Cost Items listed in Exhibit 7, up to the not-to-exceed amounts specified in the annual Budget established in accordance with Section 18.17 provided TSP has sought and obtained the applicable Agency's prior approval to incur such cost.

18.8 Monthly Invoice for O&M Work.

18.8.1 TSP shall prepare a proposed standard form invoice for Agencies' review and approval in accordance with the Submittal Process prior to submitting its first invoice for payment for the O&M Work.

18.8.2 On or before the 25th day of each month following the month in which Revenue Service Commencement occurs during O&M Term, TSP shall submit to Agencies draft invoices in the form approved by Agencies including:

(a) The amounts to which TSP is entitled for performance of the O&M Work in accordance with Sections 18.7.2.1 through 18.7.2.4;

(b) A certification by TSP in the form of Exhibit 16, signed and sealed by TSP's Representative;

(c) The amount payable with respect to any Change Order including;

(i) In the case of amounts to be paid on a Unit Price basis and PassThrough Costs, includes invoices, receipts or other evidence establishing the number of units delivered and the actual payments made by TSP;

(ii) In the case of amounts invoiced for Time and Materials Work, includes all supporting documentation described in Section 20.13.2 for Time and Materials Work done during the applicable period;

(d) The amounts paid to Subcontractors (including Suppliers and Subcontractors from the payments made by the applicable Agency to TSP with respect to the prior month's invoice;

(e) Affidavits of payment and unconditional waivers of Liens and claims executed by TSP and each Subcontractor with respect to all amounts paid in the prior month's invoice;

(f) All materials, reports, certifications, and other submittals identified in TP Section 8.8.6. Subcontractor payment releases shall be in the form set forth in Civil Code Sections 8132 through 8138;

(g) Any other Deliverables that this Contract requires to be included with invoice packages;

(h) A summary of Equipment and Hardware acceptance documentation to verify the Equipment and Hardware incorporated in the monthly progress estimate and stored Equipment and Hardware;

(i) In the case of amounts invoiced for Equipment and Hardware, a bill of sale and other appropriate documentation transferring title to such Equipment and Hardware to the applicable Agency free and clear of any Liens;

(j) A certification by TSP, signed by TSP's Representative, certifying that the TSP is in compliance with the KPIs and this Contract; and

(k) Such other supporting documentation to enable the applicable Agency to fully and accurately determine (without needing to refer to any other documentation or information) the amounts payable by the Agency to TSP, including any information reasonably requested by the Agency.

18.8.3 TSP shall not invoice for any amounts that are in dispute solely between TSP and a Subcontractor or Supplier which TSP will not pay to such Subcontractor or Supplier at the time the invoice is submitted, until such time as the dispute is resolved.

18.9 Updated Invoice after Progress Meeting,

18.9.1 Following the Progress Meeting, TSP shall submit to the applicable Agency five (5) copies of an updated invoice consistent with Section 18.8 for the O&M Work during the immediately preceding month. The form of invoice shall be modified as appropriate to account for unit priced and Time and Materials Work.

18.9.2 Each invoice shall be based upon the approved draft invoice and may not include any amounts not approved by the applicable Agency in the Progress Meeting reviewing the draft invoice.

18.9.3 TSP acknowledges that Agencies will obtain funding for portions of the O&M Work from various sources, and agrees to segregate billings for the O&M Work in a format reasonably requested by Agencies and with detail and information as reasonably requested by Agencies. Within ten (10) Business Days after Agencies' receipt of the invoices, Agencies will review the invoices and all attachments for consistency with the draft invoices prepared at the most recent Progress Meeting and conformity with all requirements of this Contract, and shall notify TSP of

the amount approved for payment and specify the reason for disapproval of any remaining invoiced amounts. TSP may include such disapproved amounts in the next month's invoice after correction of the deficiencies noted by Agencies (all such disapproved amounts shall be deemed in dispute unless otherwise agreed).

18.10 Final Payment of Total O&M Cost

18.10.1 Final Payment of the Total O&M Cost shall not become due to TSP under this Contract until TSP submits to Agencies on or about the Expiry Date:

(a) TSP's Final Payment invoice for the Total O&M Cost and any other amounts for which TSP is entitled to claim payment under Section 18.8 in a form approved by Agencies and otherwise meeting the requirements for O&M Cost invoices under Section 18.8;

(b) A list of all outstanding Change Order proposals submitted by TSP in accordance with Section 20, stating the amount at issue associated with each such notice;

(c) An affidavit that all payrolls, bills for materials, equipment, services and other indebtedness connected with the O&M Work have been paid or otherwise satisfied;

(d) Releases and waivers from TSP in favor of Agencies of Liens, Claims (except those previously made in writing and identified as unsettled or Claims which TSP may be entitled to assert against Agencies with respect to Agencies' material breach of their obligations under this Contract to be performed after Final Payment), security interests and encumbrances in connection with the O&M Work, whether known or unknown, suspected or unsuspected;

(e) For each Subcontractor or Supplier receiving Subcontracts, purchase agreements or purchase orders in a cumulative amount of $15,000 or more, written evidence that such Subcontracts, purchase agreements and purchase orders contain the following provision: "The Supplier/Subcontractor agrees that receipt of Final Payment under this Contract constitutes full and unconditional release and waiver, in favor of Agencies, and TSP, from all Liens, Claims, security interests or encumbrances, known or unknown, suspected or unsuspected, in connection with this Purchase Contract/Purchase Order/Subcontract or the materials, equipment, services and other work provided under this Contract";

(f) Materials acceptance certification documents, on RCTC forms or other forms RCTC approves;

(g) Bills of sale or other instruments of title transfer or assignment with respect to O&M Work, as requested by Agencies, free and clear of liens, claims and encumbrances;

(h) Affidavits of prevailing wages paid signed and submitted by TSP and each Subcontractor required to submit such an affidavit under California Labor Code § 1775(b)(4) in the form required under Governmental Rule and under Toll Services Standards;

(i) Assignment to Agencies of all right, title and interest in and to all claims and causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15), arising from purchases of goods, services, Equipment, Hardware, Software or materials in accordance with this Contract or any Subcontract; and

(j) Such other supporting documentation to enable Agencies to fully an accurately determine (without needing to refer to any other documentation or information) the amounts payable by Agencies to TSP, including any information reasonably requested by Agencies.

18.10.2 Prior applications and payments shall be subject to correction in the final O&M Work invoice. Change Order proposals filed concurrently with a final Work Cost invoice must otherwise be timely and meet all requirements under Section 20 and the Technical Provisions.

18.10.3 Agencies will review TSP's proposed Final O&M Work Invoices and changes, comments or corrections will be forwarded to TSP for correction within 20 Business Days after receipt of the proposed Final O&M Work Invoice.

18.11 Payment following NTP2

18.11.1 Within 30 days after RCTC's receipt of an invoice in accordance with Section 18.5.1 or 18.9.1 and the applicable Invoice Certificate (as applicable), RCTC shall pay TSP the applicable amount of the invoice or Application for Final Payment approved for payment under Sections 18.9.2 or 18.5.2 less any amounts RCTC is otherwise entitled to withhold or deduct under this Contract.

18.11.2 Payments made to TSP under this Contract shall be made by RCTC by check or electronic transfer of immediately available funds to the account of TSP at such depository as TSP designates by Notice to RCTC.

18.12 Withholding of Payment.

18.12.1 Notwithstanding any other provision of this Contract, Agencies may deduct from any payment owing under this Contract:

(a) Any debt, charge, payment or other moneys due from TSP to Agencies whether under this Contract, under applicable Governmental Rules or in equity, including (i) amounts payable or that may be payable under Section 26 and (ii) Liquidated Damages which have accrued as of the date of the application for payment or in the case of Delay Liquidated Damages which are anticipated to accrue based on the Completion Deadlines shown in the current Project Schedule; and

(b) Any Claim that Agencies or others as specified below may have against TSP including;

(i) Failure of TSP to make payments of undisputed amounts to a Subcontractor when such payments are due under the Subcontract, which failure is not cured by TSP;

(ii) Third Party Claims for which TSP is responsible under this Contract;

(c) If a notice to stop payment is filed with Agencies, due to TSP's failure to pay for labor or materials used in the Toll Services, money due for such labor or materials, plus the 25% prescribed by law, will be withheld from payment to TSP. In accordance with Civil Code Section 9364, Agencies may accept a bond by a corporate surety in lieu of withholding payment;

(d) Such amount as Agencies deems advisable to cover liens, encumbrances and stop notices of Subcontractors, Suppliers, laborers and utility owners against TSP or against Agencies as a result of the actions or failure to act TSP relating to the Toll Services unless TSP provides either (A) (i) reasonable assurance that it is contesting the item in good faith and an unconditional written commitment to Agencies from the Guarantor and the surety under the Payment Bond or Performance Bond that the item is covered by the guaranty and bonds, respectively, and will be promptly paid if TSP does not prevail in such contest (or other security adequate to Agencies, in their sole discretion); and (ii) as requested by Agencies, security assuring payment of such lien, encumbrance, stop notice amount or item, in the form of a bond, cash collateral or a letter of credit, for an amount up to 125% of the amount of such lien, encumbrance, stop notice amount or item; or (B) proof that payment has been made;

(e) Any amounts Agencies are required to retain under applicable federal law, including 26 U.S.C. Section 3402;

(f) Any sums expended by Agencies in performing any of TSP's obligations under this Contract which TSP has failed to perform or which Agencies may elect to undertake itself plus an administrative charge equal to 10% of such costs;

(g) Any sums for Nonconformances that are not timely remedied by TSP pursuant to the terms of this Contract; and

(h) All legally required sums for, but not limited to labor and tax liens including any fines or penalties Agencies or Department incurs because of the failure or alleged failure by any TSP-Related Entity to comply with the Governmental Approvals or Governmental Rules (including any Environmental Laws).

18.12.2 The failure by Agencies to deduct any of these sums from any payment owing to TSP shall not constitute a waiver of Agencies' rights (i) to such sums or (ii) with respect to any breach or default related thereto.

18.12.3 When the reasons for deducting, offsetting or withholding payment are removed, Agencies shall pay TSP for amounts previously deducted as part of the next monthly payment.

18.13 Interest

18.13.1 Any amount that TSP owes to Agencies under this Contract shall earn interest from the date such amounts are due to Agencies at the lesser of (a) 10% per annum or (b) the maximum rate allowable under applicable Governmental Rules.

18.13.2 If payment of any undisputed amount is made after the 30th day following the proper submission of an undisputed and properly complete invoice, then the payment shall include interest on the amount owing, at the rate set forth in the United States Code of Civil Procedure Section 685.010(a), from the 30th day after the payment was due until the date of payment. Interest shall not accrue on monies withheld pursuant to stop notices or the final payment.

18.14 Waiver of Claims

(a) TSP's acceptance of Final Payment for the D&D Work and CSC Commencement Period Toll Services shall constitute a waiver of all Claims by TSP, known or unknown, suspected or unsuspected, except those previously made in writing and identified as unsettled at the time of Final Payment for the D&D Work and CSC Commencement Period Toll Services and Claims which TSP may be entitled to assert against RCTC with respect to RCTC's material breach of obligations under this Contract to be performed after Final Payment.

(b) TSP's acceptance of Final Payment for the O&M Work shall constitute a waiver of all Claims by TSP, known or unknown, suspected or unsuspected, except those previously made in writing and identified as unsettled at the time of final payment for the O&M Work and Claims which TSP may be entitled to assert against Agencies with respect to Agencies' material breach of obligations under this Contract to be performed after Final Payment.

18.15 Payment for Subsequent Claims

If, after any Final Payment is made, it is determined through the dispute resolution process in Section 27, or otherwise under this Contract, that either Party is entitled to payment from the other with respect to Claims (i) that were identified in the release and waivers of Claims required in Section 18.6.1(c) as being unsettled, (ii) which TSP may be entitled to assert against Agencies with respect to Agencies' material breach of obligations under this Contract which may occur after Final Payment, or (iii) which Agencies may be entitled to assert against TSP with respect to TSP's continuing obligations under this Contract, such Party shall pay the amounts determined to be owing to the other Party within ten (10) Business Days after such determination.

18.16 Payments Not Acceptance of Work

Any payment of moneys under Section 18.10.3 is not evidence of the value of work or that work has been satisfactorily carried out in accordance with this Contract, an admission of liability or approval by Agencies of TSP's performance or compliance with this Contract, an acknowledgement that Agencies have inspected or accepted the Work or constitute a waiver of any Claim or right that Agencies may then or thereafter have, including among others, warranty and indemnity rights. All payments made by Agencies shall be subject to correction or adjustment in subsequent progress reviews and payments.

18.17 Budgets

18.17.1 By January 1 of each Year of the Term, TSP shall prepare and submit to Agencies, for review and approval in accordance with the Submittal Process, in hard copy and agreed upon electronic form, proposed annual Budgets for the next full and partial Fiscal Years of the Term. The proposed annual Budget shall be TSP's good faith estimate of all Pass-Through Cost Items expected to be incurred by TSP in the applicable Fiscal Year. The proposed annual Budgets shall be prepared in a format approved by Agencies. Agencies' failure to comply with the Submittal Process shall not entitle TSP to a Change Order, and instead the provisions of this Section 18.17.1 shall apply. An approved final Budget shall remain in effect throughout the applicable Fiscal Year, (i) subject to adjustment or revision as set forth in Section 20, and (ii) in the case of the Budgets adopted for subsequent Fiscal Years, subject to being superseded by later Budgets adopted for such Fiscal Years in accordance with this Section 18.17.1.

18.17.2 The applicable Budget for each Fiscal Year shall constitute the document in accordance with which TSP shall incur Pass-Through Cost Item expenses in performance of the O&M Work. If, at any time during such period, TSP anticipates a Budget overrun for such period in the aggregate of five percent (5%) or greater in the costs or Pass-Through Cost Items set out in the then current Budget, TSP shall provide Notice to Agencies and shall prepare a proposed Change Order incorporating such variation from the Budget. No expense shall be incurred by TSP which will cause the Budget to be exceeded by more than five percent (5%) for which TSP is entitled to and intends to seek additional compensation from Agencies unless: (i) Agencies has approved the increase in their sole discretion by Change Order or Directive Letter amending the applicable Budget, and/or (ii) such increase is incurred in connection with implementing Emergency procedures and provided that TSP shall furnish Agencies with Notice of any Emergency as promptly as practicable, but in no event later than 24 hours after the Emergency has occurred.

18.17.3 TSP shall provide, at its sole expense, all Components required to perform the Toll Services in accordance with this Contract.

18.17.4 If Agencies have not approved TSP's proposed Budget for a new Fiscal Year, or if TSP fails to provide such a Budget on a timely basis in accordance with Section 18.17, then:

(a) TSP shall perform the O&M Work based on the corresponding Fiscal Year in the then-existing Budget; and

(b) Pending such review and approval by Agencies, and subject to adjustments agreed between the Parties, the Budget for the immediately preceding Fiscal Year shall serve as the Budget for the current Fiscal Year and TSP shall be compensated for O&M Work to the extent implemented in accordance with Section 18.17.4(a).

18.17.5 When a new Budget is approved after commencement of the Fiscal Year, it shall immediately become effective, and shall include any adjustments necessary to make it retroactive to the first day of the Fiscal Year.

18.18 Cost Principles

If applicable, in order to be reimbursed with federal funds, TSP shall comply with the cost principles established in OMB Circular A-87 that specify that all reimbursed costs are allowable, reasonable, and allocable to the Toll Services.

18.19 Disputes

Failure by Agencies to pay any amount in dispute shall not alleviate, diminish, release or modify in any respect TSP's obligation to perform the Toll Services in accordance with this Contract, and TSP shall not cease or slow down its performance under this Contract on account of any such amount in dispute. Any dispute regarding payment shall be resolved in accordance with Section 27. TSP shall proceed as directed by the applicable Agency pending resolution of the dispute. Upon resolution of any such dispute, each of TSP and the applicable Agency shall promptly pay to the other any amount owing.

18.20 Payment of "Claims" under Pub. Cont. Code § 9204

The Parties acknowledge that Pub. Cont. Code § 9204 requires Agencies to make payments to TSP with respect to any portion of a "claim" as that term is defined in Pub. Cont. Code § 9204, which Agencies identify as undisputed. If any such payments are made, future invoices shall account for such payments in a manner acceptable to Agencies.

SECTION 19 GENERAL PROVISIONS APPLYING TO CHANGES IN TOLL SERVICES

19.1 Mitigation

19.1.1 If an Eligible Change or any other event occurs as a result of which the Toll Services are delayed or TSP considers that it is entitled to claim an extension of time, compensation or relief from performance of its obligations under this Contract (together "Relevant Events"), TSP shall and shall require TSP-Related Entities to use and continue to use commercially reasonable efforts to:

(a) Eliminate or mitigate the Losses, schedule impact and other consequences of the Relevant Event in performance of the Toll Services, including by re-sequencing, reallocating or redeploying TSP forces to other work, as appropriate;

(b) Except as expressly provided in this Contract, continue to perform and remain liable and responsible for its obligations under this Contract notwithstanding the Relevant Event; and

(c) Resume performance of its obligations under this Contract affected by the Relevant Event as soon as practicable and, in all events, promptly after the cessation or mitigation of the Relevant Event.

19.1.2 To the extent that TSP does not comply with its obligations under this Section 19.1, then TSP's entitlement to claim an extension of time, compensation or relief from performance of its obligations under this Contract with respect to the Relevant Event will be reduced or eliminated to the extent of such failure.

19.2 Deductions for Relevant Events

19.2.1 The compensation payable, extension of time granted or relief provided to TSP with respect to any Relevant Event will be reduced:

(a) By any amount which a TSP-Related Entity recovers under any insurance policy required under this Contract or otherwise maintained by TSP-Related Entities, or would have recovered if the TSP-Related Entity had complied with this Contract in respect of any insurance policy required under this Contract, which amount, for greater certainty, will not include any excess or deductibles or any amount over the maximum amount insured under any such insurance policy;

(b) In the case of an extension of time, by the amount of time avoided or otherwise reduced as a result of the Relevant Event;

(c) By the amount of any Costs avoided or otherwise reduced as a result of the Relevant Event; and

(d) To the extent the Relevant Event arises in connection with any act or omission of any TSP-Related Entity or TSP Fault.

19.3 Sole Entitlement

TSP acknowledges and agrees that:

(a) The Contract Price and the Pass-Through Costs constitute full compensation for performance of all of the Toll Services; and

(b) TSP's sole right to claim an extension of time, compensation or relief from performance of its obligations under this Contract or otherwise make any Claim for any Losses in connection with any Change or Eligible Change is as set out in Section 20.

19.4 Notifications, Delay in Notification

19.4.1 Subject to Sections 19.4.2 through 19.4.5, if any Notice or any required information with respect to a Relevant Event (Relevant Event Notice) is submitted by TSP after the due date under this Contract, then TSP will be deemed to have waived:

(a) The right to collect any Costs, in connection with the Relevant Event, that TSP incurs or accrues prior to the delivery date of the Relevant Event Notice; and

(b) The right to an extension of any Completion Deadline for any Critical Path delay in connection with the Relevant Event, which accrued prior to the delivery date of the Relevant Event Notice.

19.4.2 If TSP fails to provide a Relevant Event Notice to the applicable Agency within the earlier of (a) the timeframe expressly stated within this Contract with respect to the specific Relevant Event; or (b) 15 Business Days after the earlier of (i) obtaining Actual Knowledge of a Relevant Event; or (ii) the date on which it should have, in the exercise of reasonable diligence or in the performance of its obligations under this Contract, been aware of the Relevant Event; TSP shall not be entitled to any relief from the applicable Agency in connection with the Relevant Event unless TSP can show, based on clear and convincing evidence, that:

(a) The applicable Agency was not materially prejudiced by the lack of a Relevant Event Notice; or

(b) The applicable Agency's Representative had Actual Knowledge of the Relevant Event prior to the due date for the Relevant Event Notice.

19.4.3 In the event that TSP makes the showing required in Section 19.4.2 after the expiration of the period for providing the applicable Relevant Event Notice, TSP may not collect Costs incurred prior to the date of delivery of the Relevant Event Notice, and shall be deemed to have waived the right to seek an extension of any Completion Deadline in accordance with this Contract which accrued prior to the date of delivery of the Relevant Event Notice.

19.4.4 The following matters (among others) shall be considered in determining whether the applicable Agency has been prejudiced by TSP's failure to provide a timely Relevant Event Notice: (a) the effect of the delay on alternatives available to that Agency (that is, a comparison

of alternatives which are available at the time the Relevant Event Notice was actually given and alternatives which would have been available had a Relevant Event Notice been given within 15 Business Days as required under Section 19.4.2); and (b) the impact of the delay on that Agency's ability to obtain and review objective information contemporaneously with the Relevant Event.

19.4.5 TSP's failure to provide a Relevant Event Notice within (a) 15 Business Days of the timeframe expressly stated within this Contract with respect to the specific Relevant Event; or (b) 30 Business Days after the earlier of (i) obtaining Actual Knowledge of a Relevant Event; or (ii) the date on which it should have, in the exercise of reasonable diligence or in the performance of its obligations under this Contract, been aware of the Relevant Event shall preclude TSP from any relief due to the occurrence of the Relevant Event, including the right to receive payment for any Costs, receive a Change Order or make any Claim for any Losses or Costs in connection with the Relevant Event.

SECTION 20 CHANGES IN THE TOLL SERVICES

20.1 Change Orders and Directive Letters

20.1.1 This Section 20 sets forth the requirements for obtaining all Change Orders and Directive Letters.

20.1.2 To the extent that any other provision of this Contract expressly provides for a Change Order or Directive Letter to be issued, such provision is incorporated into and subject to this Section 20.

20.2 Right of Agencies to Issue Change Orders and Directive Letters

20.2.1 Agencies may, at any time and for any reason, without notice to any Eligible Surety or Guarantor, authorize and/or require a change within the general scope of this Contract pursuant to a Change Order or Directive Letter.

20.2.2 TSP has no obligation to perform any material change, outside the general scope of this Contract, except on terms mutually acceptable to Agencies and TSP.

20.2.3 For the purpose of this Section 20.2:

(a) Any direction to perform Work shall be considered within the general scope of this Contract if it is related in whole or in part, or directly or indirectly, to the Toll Services; and

(b) Any direction to delete or modify the Toll Services shall be considered within the general scope unless, as a result, this Contract would no longer be considered a contract to design, implement, install, integrate, operate and/or maintain a toll collection system of the general nature described in the RFP.

20.3 Issuance of Directive Letter

20.3.1 Agencies may, at any time and for any reason, issue a Directive Letter to TSP with respect to a change or in the event of any dispute regarding the pricing or scope of Toll Services.

20.3.2 Any Directive Letter shall state that it is issued under this Section 20.3 and provide a written detailed description of the change, and the proposed basis for compensation or reduction in compensation, if any.

20.3.3 Directive Letters shall be effective upon issuance by Agencies. If Agencies issue a Directive Letter, TSP shall proceed immediately with the Toll Services as directed in accordance with the Directive Letter, regardless of whether a formal Change Order has been issued in the case of a Change. If TSP considers the directed Toll Services to constitute a Change, TSP may request that Agencies issue a Change Order under Section 20.6.

20.3.4 An individual Agency may issue a Directive Letter or issue a Change Order as relates to TSP services applicable only to that Agency under a separate scope of work, or for RCTC, as relates to the 15 Express Lanes roadside system.

20.4 Agency-Initiated Change Orders

20.4.1 Change Notice. If Agencies desire to evaluate whether to initiate an Agency Initiated Change, Agencies may, at their sole discretion, issue a Change Notice setting out details of the proposed Change. An individual Agency may issue a Change Notice related to an Agency Initiated Change that only impacts that Agency.

A Change Notice may include a request by an individual Agency to develop a separate Scope of Work related to services to be performed for that Agency only.

20.4.2 Change Notice Consultations

(a) As necessary, within seven days after delivery of Agencies' Change Notice, or such shorter period as the Parties agree depending upon the complexity of the proposed Change, the Parties shall consult to define the proposed scope of the Change. Within five days after the initial consultation, or such longer period as the Parties agree, the Parties shall consult concerning the estimated cost and time impacts, if any. TSP shall provide data regarding such matters as requested by Agencies.

(b) Within five days after the second consultation and provision of any data regarding matters Agencies' requests, Agencies shall notify TSP whether Agencies::

(i) Wish to issue a Change Order or Directive Letter;

(ii) Wish to request TSP to provide a full Change Response;

(iii) Wish to request TSP to prepare a modified work plan for the Change and a full Change Response based on the modified work plan; or

(iv) No longer wishes to issue a Change Order.

(c) The provisions above shall apply to an individual Agency related to an Agency Change Notice that only impacts that Agency as described above.

20.4.3 Change Response

(a) If so requested by Agencies, within ten Business Days after receiving Notice under Section 20.4.2(b)(ii), or such longer period as the Parties mutually agree, TSP shall prepare and deliver to Agencies, for Agencies' review and approval, a Change Response including:

(i) A written evaluation of the proposed Change, including, whether TSP considers the Agency Initiated Change to constitute a Change, analysis and the specific provision(s) of this Contract which permit a Change Order, including data and documents supporting such evaluation;

(ii) A statement and detailed breakdown of the estimated increase or decrease (as applicable) to the Contract Price or change to the Pass-Through Cost Items and adjustments to any applicable Budget as a result of the Change including all data and reports required under in accordance with Change Order Price Form to support such estimate;

(iii) A detailed description of all Work which TSP considers would be required in order to implement the Change broken down as required by the Change Response Price Form;

(iv) If the Work is to be performed by Subcontractors and the work is sufficiently defined to obtain Subcontractor quotes, TSP shall obtain and provide at least 3 quotes (with breakdowns showing cost of labor, materials, services and Equipment and permitted markups for overhead and profit) on the Subcontractor's stationery and shall include such quotes as back-up for TSP's estimate and shall also prepare a worksheet in the form of the Change Response Price Form for each Subcontractor.

(v) Analysis of the impact of the Change on the performance of other aspects of the D&D Work, O&M Work, Agencies or Agencies' toll operations (as applicable);

(vi) In the case of D&D Work, if TSP believes the Change affects a Critical Path or the Change Response relates to an Excusable Delay that affects the Critical Path, it shall provide an impacted delay analysis indicating all activities represented or affected by the Change, with activity numbers, durations, predecessor and successor activities, resources and cost, and with a narrative report, in form satisfactory to RCTC, which compares the proposed new schedule to the Project Schedule or details of any Acceleration Costs. RCTC may at any time require TSP to provide two alternative Cost and schedule proposals, one which shall provide for a time extension and any additional costs permitted under this Contract, and the other which shall show all Acceleration Costs associated with meeting the original Completion Deadlines. If it is not feasible to recover any original Completion Deadline or if TSP believes that the costs associated with such a recovery are prohibitive, then TSP shall recommend a date to be shown in the alternative TSP Change Request;

(vii) A certification under penalty of perjury according to the laws of the State, in form acceptable to Agencies, executed by TSP and stating that (a) the amount of time and/or compensation requested is justified as to entitlement and amount and includes all known and anticipated impacts or amounts, direct, indirect and consequential, which may be incurred as a result of the proposed Change, and (b) the cost and pricing data forming the basis for the Change Order is complete, accurate and current, with specific reference to the California False Claims Act (Government Code section 12650 et. seq.) and the U.S. False Claims Act (31 USC § 3729 et seq.); and (c) otherwise required by Exhibit 23;

(viii) Any required changes additions, deletions or modifications to this Contract (including the KPIs) as a result of the Change including a description of how and why the Change directly causes TSP to be unable to satisfy the KPIs, and in the case of a required Change in KPIs, the information required pursuant to Section 20.24.4 as if the Change were an Eligible Change;

(ix) A schedule for implementing the Change including, in the case of a Change to the D&D Work or the CSC Commencement Period Toll Services, estimated adjustments to the Completion Deadlines;

(x) TSP's proposed plan for mitigating the impacts of such Change and a reasonably detailed breakdown of the expected actual Costs, if any, of such mitigation; and

(xi) Any other information reasonably requested by Agencies.

20.4.4 During the 10 Business Days while TSP is preparing a Change Response, TSP shall regularly consult with Agencies to define the proposed scope of the Change and with respect to estimated cost and time impacts. TSP shall provide Agencies with data regarding such matters as requested by Agencies.

20.4.5 If it is not practicable, due to the nature and/or timing of the event giving rise to a proposed Change Order, TSP may seek Agencies' approval to provide an incomplete Change Response.

20.4.6 The provisions above shall apply to an individual Agency related to proposed Change that only impacts that Agency as described above; provided that the findings set forth under (v) shall be provided to both Agencies.

20.5 Change Order Determination

20.5.1 Within 20 Business Days after receipt of TSP's Change Response, Agencies shall provide Notice of Agencies' intent to proceed or not to proceed with the Change. If Agencies elect to proceed with the Change and accept TSP's Change Response, and any proposed adjustments to this Contract under Section 20.4.3(a)(viii), TSP shall prepare a Change Order for execution. If Agencies elect to proceed with the Change Order but do not accept the Change Response in total, Agencies shall either: (a) negotiate and agree to a Change Order with TSP; (b) issue a Time and Materials Change Order as provided in Section 20.13.3 or 20.14.4 (as applicable) or (c) issue a Directive Letter. No unilateral Change may be directed by an individual Agency, or Change Order entered into by an individual Agency, if the Change impacts both Agencies.

20.5.2 Subject to receipt of any required approvals from Department and FHWA, if Agencies issue or agree to a Change Order with TSP in accordance with Section 20.5.1, Agencies and TSP shall execute a Change Order with respect to the Change. If an individual Agency agrees to a Change Order with TSP, TSP and that Agency shall execute a Change Order with respect to that Change, subject to the limitation set forth above.

20.5.3 Upon receipt of a Change Order under Section 20.5.2, TSP shall implement the Change in accordance with the Change Order.

20.5.4 Regardless of whether or not Agencies have issued a Change Notice, Agencies, collectively or individually, may issue a Directive Letter with respect to a change or Change at any

time. A Directive Letter may be issued unilaterally by an Agency only in accordance with Section 20.3.4.

20.6 TSP Change Request

20.6.1 TSP shall give Agencies a Notice as soon as possible and within fifteen (15) Business Days after TSP knew or should have known of an Eligible Change. For purposes of Pub. Cont. Code § 9204, receipt of the Notice of an Eligible Change or TSP Change Request in accordance with this Section 20.6.1 shall be deemed to be receipt of a Claim as set forth in this Section 20.6.1; provided that TSP states, in writing, that the TSP Change Request constitutes a "claim" under Pub. Cont. Code § 9204.

20.6.2 TSP shall, within ten Business Days after its Notice under Section 20.6.1 or such longer period of time as may be allowed in writing by Agencies, provide a TSP Change Request which shall:

(a) Be labeled and numbered sequentially (for example the first TSP Change Request shall be labeled "TSP Change Request No. 1");

(b) Include, all information required to be submitted by TSP in a Change Response as if the Eligible Change were a Change with respect to which Agencies issued a Change Notice (including as required by Exhibit 23);

(c) State the name, title, and activity of each TSP and Agency representatives knowledgeable of the Eligible Change;

(d) Identify any documents and the substance of any oral communication involved in the facts underlying or supporting the Eligible Change;

(e) Provide an estimate of the time within which a response to the TSP Change Request is required to minimize cost, delay or disruption of performance; and

(f) If the TSP Change Request relates to a decision which this Contract leaves to the discretion of a Person or as to which this Contract provide that such Person's decision is final, the TSP Change Request shall set out in detail all facts supporting TSP's objection to the decision, including all facts supporting any contention that the decision was capricious or arbitrary or is not supported by substantial evidence.

20.6.3 TSP's Notice of an Eligible Change under Section 20.6.1 may also serve as a TSP Change Request provided it meets the requirements for a TSP Change Request under Section 20.6.2.

20.6.4 Any adjustments made to the Contract shall not include increased costs or time extensions for delay resulting from TSP's failure to timely provide requested additional information under this Section 20.6.

20.7 Incomplete TSP Change Request

20.7.1 If it is not practicable, due to the nature and/or timing of the event giving rise to an Eligible Change, for TSP to provide a complete TSP Change Request meeting all of the requirements of Section 20.6.2, TSP shall provide an incomplete TSP Change Request which includes all

information capable of being ascertained together with a list of those TSP Change Request requirements which are not fulfilled and an explanation reasonably satisfactory to Agencies, or the applicable Agency,stating why such requirements cannot be met.

20.7.2 TSP shall provide Agencies with a monthly update to all outstanding TSP Change Requests describing the status of all previously unfulfilled requirements and stating any changes in projections previously delivered to Agencies, expenditures to date and time anticipated for completion of the activities for which the time extension is claimed. Agencies may reject the TSP Change Request at any point in the process. Once a complete TSP Change Request is provided, Agencies' failure to respond within 20 Business Days of delivery of the request shall be deemed a rejection of such TSP Change Request. TSP shall bear the burden of proving that providing the TSP Change Request within the time periods set forth in Section 20.6.2 was not practicable.

20.8 Review of Subcontractor Claims

20.8.1 Prior to submission by TSP of any TSP Change Request which is based in whole or in part on a request by a Subcontractor for a price increase or time extension under its Subcontract, TSP shall have reviewed and analyzed all Claims by the Subcontractor which constitute the basis for the TSP Change Request and determined in good faith that each such Claim has sufficient justification under the Contract to warrant TSP requesting an increase in the Contract Price and change in Completion Deadlines in the amounts specified in the TSP Change Request. TSP shall certify in its TSP Change Request that it has completed such review and that the Claim has justification under the Contract.

20.8.2 Each TSP Change Request involving Subcontractor Claims and provision of Toll Services, and each update to an incomplete Change Order request involving such Claims and Toll Services, shall include a summary of TSP's analysis of all Subcontractor Claims components and shall include a certification signed by TSP's Project Manager (as applicable) stating that TSP has (a) investigated the basis for the Subcontractor's claims and believes that there is sufficient justification under the Contract as to entitlement and the amount of money and/or time requested, (b) reviewed and verified the adequacy of all back-up documentation to be placed in escrow pursuant to Section 29.2, and (c) no reason to believe and does not believe that the factual basis for the Subcontractor's claim is falsely represented. Any TSP Change Request involving Subcontractor Toll Services which is not accompanied by such analysis and certification shall be considered incomplete.

20.9 Force Majeure and Package Turnover Delay Change Order Entitlement

Subject to Section 19 and 20.11 and TSP complying with the Change Order Notification Process, where a TSP Change Request is submitted as a result of a Force Majeure Event or Package Turnover Delay that has caused or will result in an identifiable and measurable disruption of the Toll Services and has impacted the Critical Path activity (i.e., consumed all available Float and extended the time required to achieve a Completion Milestone beyond the applicable Completion Deadline), TSP shall be entitled to a Change Order adjusting the applicable Completion Deadline, based on Critical Path Method analysis to the extent of the actual delay caused by the Force Majeure Event or Package Turnover Delay, or Acceleration Costs where Agencies elect to order acceleration, in which case, no extension of time will be granted to a Completion Deadline.

20.10 Excusable Delay Change Order Entitlement

20.10.1 Subject to Section 19 and 20.11 and TSP complying with the Change Order Notification Process, where a TSP Change Request is submitted as a result of an Excusable Delay that has caused or will result in an identifiable and measurable disruption of the D&D Work and has impacted the Critical Path activity (i.e., consumed all available Float and extended the time required to achieve a Completion Milestone beyond the applicable Completion Deadline), TSP shall be entitled to:

(a) A Change Order adjusting the applicable Completion Deadline, based on Critical Path Method analysis to the extent of the actual delay caused by the Excusable Delay or Acceleration Costs where RCTC elects to order acceleration, in which case, no extension of time will be granted to a Completion Deadline; and

(b) Delay and disruption damages only if the Excusable Delay is an event falling within clauses (a) through (c) of the definition of RCTC-Caused Delay, clause (b) or (d) of the definition of Excusable Delay or subject to Section 20.10.3.

20.10.2 Delay and disruption damages payable under Section 20.10.1(b) shall be limited to (i) direct costs solely and directly attributable to the delays described in Section 20.10.1(b) and markups on such direct costs in accordance with Section 20.13, and (ii) any additional field office and jobsite overhead costs incurred by TSP solely and directly attributable to such delays at TSP's applicable Audited Overhead rate.

20.10.3 TSP shall not be entitled to any delay and disruption damages with respect to the first 20 Business Days in the aggregate of Department-Caused Delays for which TSP is entitled to a time extension under Section 20.10.1.

20.11 Concurrent Delays

TSP shall not be entitled to an extension of time under Section 20.9 or 20.10 or delay or disruption damages under Section 20.10.2 if the Excusable Delay, Force Majeure Event or Package Turnover Delay is concurrent with any other unrelated delay to a Critical Path that is TSP's responsibility under this Contract.

20.12 General Change Order Entitlement for Contract Price Adjustments

20.12.1 Subject to Section 19 and TSP complying with the Change Order Notification Process, where a Change Order is issued as a result of:

(a) A Change;

(b) Additional Work required as a result of an Excusable Delay; or

(c) Except where relief is provided under Section 10.10, an O&M Relief Event that has prevented or delayed performance of the O&M Work, TSP shall be entitled to an adjustment to the Contract Price as provided in this Section 20.12 through 20.24.

20.12.2 The price of the Change Order for a Change in the D&D Work for which TSP is entitled to an adjustment in the Total Capital Cost shall be determined in accordance with Section 20.13. The price of the Change order for a Change in the O&M Work shall be determined in accordance with Section 20.14.

20.12.3 TSP's Change Response or Change Request, as the case may be, shall identify all conditions with respect to prices or other aspects of the proposal, such as pricing contingent on firm orders being made by a certain date or the occurrence or nonoccurrence of an event.

20.13 Pricing for Changes in the Scope of the D&D Work

20.13.1 Subject to Section 19, increases or decreases in the Total Capital Price resulting from Changes or Additional Work as a result of an Excusable Delays affecting the D&D Work shall be determined as described in Section 20.13.2 through 20.13.3, at RCTC's election. To the extent reasonable and possible, TSP shall combine like efforts into a bundled Change.

20.13.2 Where RCTC elects to negotiate a lump sum increase or decrease to the Total Capital Cost, such increase or decrease will be negotiated based on the principles in this Section 20.13.2. Lump sum prices shall include a complete price analysis including all documentation required by Section 20.13.2. Where the amount is a positive amount, such amount shall be payable by RCTC to TSP. Where such amount is a negative amount, such amount shall be a debt due and payable by TSP to RCTC.

(a) For Labor: RCTC shall reimburse TSP for labor (including supervision by foremen dedicated solely to the particular item of Work but not for supervisions by general superintendents or general foreman). For labor subject to the payment of prevailing wages, the labor payment shall be calculated as a Weighted Wage Rate in accordance with Section 20.13.2(a)(i). For labor that is not subject to prevailing wages, the labor payment shall be calculated as provided in Section 20.4.3(a)(iii). TSP shall not be entitled to any Costs for labor required to be engaged full time on the D&D Work or for TSP Key Personnel working within the time expectations required under the TPs.

(i) Prevailing Wage Labor / Weighted Wage Rate. The Weighted Wage Rate combines:

A. The current basic wage and fringe benefits that TSP is required and has agreed to pay any workers employed to perform construction work, which shall be not less than the "prevailing rate of wages" as specified in Section 7.10;

B. Federal Insurance Compensation (FICA);

C. Federal Unemployment Tax Act contributions (FUTA); and

D. State Unemployment Compensation Act contributions (SUCA)

The Weighted Wage Rate shall be computed for each classification of labor used. This rate shall reflect TSP's reasonable actual Cost. It shall neither exceed what is normally paid to comparable labor nor fall below the minimum required by prevailing wage requirements. If labor works overtime, the Weighted Wage Rate shall be determined on the same basis.

(ii) Non-prevailing Wage Labor. For labor that is not subject to payment of prevailing wages, but that is performed by a job class specified in Exhibit 3, Form J-15, RCTC shall pay the rate specified in Exhibit 3, Form J-15. For labor that is not subject to prevailing wages

and is not performed by a job class specified in Exhibit 3, Form J-15, RCTC shall pay TSP for (1) reasonable actual wages (i.e., the base wage rate paid to the employee verified by payroll records but exclusive of any fringe benefits or Margin).

(iii) Audited Overhead. RCTC shall pay Audited Overhead on the applicable amounts determined under Section 20.13.2(a)(i) and 20.4.3(a)(iii); and

(iv) TSP Margin. RCTC shall pay TSP Margin on the sum of the applicable amounts determined under Section 20.13.2(a)(i) and 20.4.3(a)(ii) and the amount determined under Section 20.13.2(a)(iii).

(b) For Hardware, Software Equipment and Materials. RCTC shall reimburse the reasonable, actual invoice Cost for Hardware, Software Equipment and materials supplied by TSP and installed or purchased for spare parts or inventory and for materials supplied by TSP and needed for the D&D Work. The Cost includes actual, reasonable freight and express charges and taxes, provided that these Costs have not been paid in some other manner under this Contract. A deduction will be made for any offered or available discounts or rebates if RCTC has provided TSP with, or there is otherwise reasonably available to TSP, the means to comply with the provisions allowing the discount. To support charges for such Hardware, Software Equipment and materials, TSP shall provide RCTC with valid copies of Supplier invoices, including freight and express bills. If invoices are not available for such Hardware, Software Equipment and materials from TSP's stocks, TSP shall certify reasonable, actual Costs by affidavit. The rates set forth in the Rental Rate Blue Book shall be the maximum rates allowed for tools and construction Equipment. These rates shall be the full compensation for furnishing and operating the tools and construction Equipment, except for labor.

(c) For Subcontractors. RCTC shall reimburse the reasonable, actual Cost for Subcontractors incurred under a Subcontract. Subcontractors shall be allowed their reasonable, actual Costs for insurance and bonding. The amount of any Margin charged by Subcontractors shall not exceed 10%.

(d) For Insurance and Bonding. RCTC shall reimburse TSP's reasonable, actual Costs for insurance and bonds attributable to the Change in D&D Work.

(e) Purchase Orders. The portion of the lump sum cost attributable to items supplied by TSP through a purchase order shall be calculated on the basis of reasonable, actual cost incurred by TSP.

(f) Subcontractors. TSP shall obtain at least three quotes for such purchases unless it is not possible to obtain three quotes for the applicable purchases. Where this occurs, TSP shall provide a request to RCTC to obtain less than three quotes, together with justification for such request, and obtain RCTC's prior approval (in RCTC's sole discretion). Where RCTC elects to request a Unit Priced Change Order, then an adjustment to the Total Capital Cost shall be determined using the Unit Prices as set out in Part B of the Change Response Price Form (which shall be the only applicable item in the Change Response Price Form where a Unit Priced Change Order is issued). The Unit Prices include all costs for Hardware, Software, labor, materials, Equipment and Margin, and shall not be subject to change regardless of any change in the estimated quantities. Unit Price Change Orders shall initially include an estimated increase in the Total Capital Cost based on estimated quantities. Upon final determination of the quantities,

RCTC will issue a modified Change Order setting forth the final adjustment to the Total Capital Cost based on the Unit Price. TSP shall keep detailed records of the quantities for Unit Priced D&D Work, and shall submit supporting documentation of such quantities with its invoices.

20.13.3 Where RCTC elects to request a Time and Materials Change Order including if the Parties cannot reach agreement under Section 20.13.2 or 20.13.2(f), TSP shall keep and present, in such form as RCTC may reasonably require, an itemized accounting together with appropriate supporting data in accordance with the principles in Section 20.13.2.

20.13.4 The Time and Materials Change Order shall instruct TSP to perform the Change in the Toll Services, indicating expressly the intention to treat the items as a Change in the Toll Services, and setting forth the kind, character, and limits of the Toll Services as far as they can be ascertained, the terms under which changes to the Total Capital Price will be determined and the estimated total change in the Total Capital Price anticipated under the Change Order. Costs evidenced by daily extra work reports furnished less than five (5) Business Days prior to preparation of the invoice shall be included in the subsequent month's invoice. Upon final determination of the allowable costs, RCTC shall issue a modified Change Order setting forth the final adjustment to the Contract Price.

20.14 Pricing for Changes in the Scope of the O&M Work.

20.14.1 Subject to Section 19, increases or decreases in the Total O&M Cost resulting from Changes or O&M Relief Events affecting the O&M Work shall be determined as described in Sections 20.14.2 through 20.14.4 at Agencies' election. To the extent reasonable and possible, TSP shall combine like efforts into a bundled Change.

20.14.2 Where Agencies elect to negotiate a lump sum increase or decrease to the Total O&M Cost, such increase or decrease will be negotiated based on the principles for pricing established under 20.13.2 and Section 19. Where the amount is a positive amount, such amount shall be payable by Agencies to TSP. Where such amount is a negative amount, such amount shall be a debt due and payable by TSP to Agencies. Lump sum prices shall be properly itemized and supported by sufficient substantiating data to permit evaluation, including a complete price analysis by reference to the Price Sheets for similar types and quantity of O&M Work unless some other basis is approved by Agencies.

20.14.3 Where Agencies elect to request a Unit Priced Change Order, the increase or decrease to the Total O&M Cost can be determined using Unit Prices, then an adjustment to the Total O&M Cost shall be determined using the Unit Prices as set out in Part B of the Change Response Price Form (which shall be the only applicable item in the Change Response Price Form where a Unit Priced Change Order is issued). The Unit Prices include all costs for Hardware, Software, labor, material, Subcontractors, services, Equipment and all Margin and shall not be subject to change regardless of any change in the estimated quantities. Unit-Price Change Orders shall initially include an estimated increase in the Total O&M Cost based on estimated quantities. Upon final determination of the quantities, Agencies will issue a modified Change Order setting forth the final adjustment to the Total O&M Cost. TSP shall keep detailed records of the quantities for Unit Priced O&M Work, and shall submit supporting documentation of such quantities with its invoices.

20.14.4 Where Agencies elect to request, Agencies may issue a Time and Materials Change Order at any time in their sole discretion including if the Parties cannot reach agreement under Section 20.14.2 In such case the payment or reduction shall be determined in accordance with Section 20.13.3 except that references to the D&D Work shall be read as references to the O&M Work to the extent applicable to the O&M Work.

20.15 General Pricing Provisions

20.15.1 Without limiting Section 19, the extent (if any) to which compensation will be payable by Agencies, for any Change, Excusable Delay or O&M Price Event, will be determined as follows:

(a) The overriding considerations will be that Agencies are receiving value for money; and the compensation amount is fair and reasonable and is calculated in a manner that is transparent;

(b) Appropriate regard shall be given to the time value of money and timing of cash flows and all cash flows much be discounted or inflated to reflect when they occur (if applicable);

(c) All Change Order pricing shall be undertaken, provided and subject to review and audit on an Open-Book Basis; and

(d) Except where TSP is expressly entitled to be paid Audited Overhead or TSP Margin in accordance with this Section 20, Agencies will not pay or otherwise compensate TSP or any Subcontractor for any Margin as a result of a Change, Excusable Delay or O&M Relief Event.

20.15.2 When the Change Order includes both added and deleted O&M Work, TSP shall prepare a statement of the cost of added and deleted Toll Services. TSP Margin will be allowed only for the net increase in labor Cost in order to establish the amount to be added to the Contract Price.

20.15.3 In determining a deductive change order, any deduction will include the amount of TSP Margin and Audited Overhead which would have been payable on such amounts by Agencies in accordance with this Section 20.

20.15.4 If a Change Order results in an amount owing from Agencies to TSP, Agencies may pay TSP as a lump sum payment, a series of milestone payments, an adjustment to the Total O&M Years Cost for the years as specified (or any part of such costs) or any combination of these methods in accordance with the payment arrangements set out in the approved Change Order.

20.15.5 When a Change in the O&M Work decreases the scope of the O&M Work, documented cancellation and restocking charges may be included in Costs and subtracted from any Savings.

20.16 Change Order Data

20.16.1 TSP shall collect, record in writing, segregate and preserve: (a) all data and documents necessary to determine the costs described in this Section 20 with respect to all Toll Services which are the subject of a Directive Letter, Change Order, a Change Response or a TSP

Change Request (excluding negotiated lump sum Change Orders previously executed and delivered), specifically including costs associated with design and Software development work, and (b) all data, documents and analyses necessary to show the actual impact (if any) on the Critical Path, the Project Schedule, and applicable Completion Deadlines with respect to all Toll Services which are the subject of a Directive Letter, Change Order or a proposed Change Order. Such data, documents and analyses shall be provided to Agencies and Agencies' Representative reviewing any Change Order, Claim or Dispute regarding compensation for such Toll Services or time extension immediately upon their request or demand. TSP waives the right to obtain compensation or time extension for any D&D Work, CSC Commencement Period Toll Services or O&M Work for which cost or schedule data, documents and analyses are required to be maintained and provided hereunder, if TSP fails to maintain and timely provide to Agencies cost or schedule data, documents and analyses meeting the requirements of this Contract.

20.16.2 TSP shall maintain its records in such a manner as to provide a clear distinction between: (a) the direct cost of Toll Services for which it is entitled (or for which it believes it is entitled) to an increase in the Contract Price and (b) the costs of other operations.

20.16.3 TSP shall furnish daily, on forms approved by Agencies, reports of all costs described in Section 20.16.2(a). The reports shall itemize all costs for Hardware, Software, labor, materials, and Equipment rental or purchase and give a total of costs through the date of the report. For workers, the reports shall include hours worked, rates of pay (which shall be consistent with Price Sheet J-15 in Exhibit 3), names and classifications. For equipment, the reports shall include size, type, identification number, rental rate and actual working hours of operation. All such records and reports shall be made immediately available to Agencies upon request. The cost of furnishing such reports are deemed to be included in TSP's overhead and fee percentages.

20.16.4 All reports shall be signed by TSP and certified as true, accurate and complete. Agencies will compare their records with TSP's reports, make the necessary adjustments and compile the costs of Toll Services completed under a Time and Materials Change Order. When such reports are agreed upon and signed by both Parties, they will become the basis of payment.

20.16.5 TSP shall maintain its records in such a manner as to provide a clear distinction between the direct costs of Toll Services for which it is entitled (or for which it believes it is entitled) to an increase in the Contract Price and the costs of other operations. TSP shall contemporaneously collect, record in writing, segregate and preserve (a) separate daily occurrence logs together with all other data necessary to determine the costs of all Toll Services which are the subject of a Directive Letter, Change Order or a TSP Change Request, specifically including costs associated with Equipment, Hardware and Software, and (b) all data necessary to show the actual impact (if any) of the change on each Critical Path and Completion Deadline with respect to all D&D Work that is the subject of a Directive Letter, Change Order or a proposed Change Order. Such data shall be provided to the Disputes Board (if a Change Order or TSP Change Request is under Dispute), RCTC and RCTC's Representatives as directed by RCTC, on forms approved by RCTC. The cost of furnishing such reports is included in TSP's predetermined overhead and profit markups and shall not be the subject of any additional claims for compensation.

20.17 Daily Toll Services Reports and Data Collection

20.17.1 TSP shall furnish Agencies completed daily work reports for each day's Toll Services which is to be paid for on a time and material basis. The daily time and material Toll Services reports shall be detailed as follows:

(a) Name, classification, date, daily hours, total hours, rate of pay (which shall be consistent with Price Sheet J-15 in Exhibit 3 but not less than prevailing wage rates for any labor category for which payment of prevailing wages is required), and extension for each worker (including both construction and non-construction personnel) for whom reimbursement is requested.

(b) Designation, dates, daily hours, total hours, rental rate, and extension for each unit of machinery and equipment.

(c) Quantities of materials, prices, and extensions.

(d) Transportation of materials.

(e) The total costs to date for the Time and Materials Change Order Toll Services.

20.18 Supplier's Invoices

Materials charges shall be substantiated by valid copies of Supplier's invoices. Such invoices shall be submitted with the daily time and material Toll Services reports, or if not available, they shall be submitted with subsequent daily time and material Toll Services reports. Should said Supplier's invoices not be submitted within 60 days after the date of delivery of the materials, Hardware or Equipment, Agencies may establish the cost of such materials at the lowest current wholesale prices at which such materials are available, in the quantities concerned, delivered to the location of Toll Services, less any discounts available.

20.19 Execution of Reports

All Time and Materials Change Order reports shall be signed by TSP's Representative.

20.20 Adjustment

Agencies will compare their records with the completed daily time and material Toll Services reports furnished by TSP and make any necessary adjustments. When these daily time and material Toll Services reports are agreed upon and signed by the applicable Parties, said reports shall become the basis of payment for the Toll Services performed, but shall not preclude subsequent adjustment based on a later audit. TSP's cost records pertaining to Toll Services paid for on a time and material basis shall be open, during all regular business hours, to inspection or audit by representatives of Agencies during the Term and for a period of not less than five years after the TCS Acceptance Deadline, and TSP shall retain such records for that period. Where payment for materials or labor is based on the cost thereof to any Person other than TSP, TSP shall make every reasonable effort to insure that the cost records of each such other Person will be open to inspection and audit by representatives of Agencies on the same terms and conditions as the cost records of TSP. Payment for such costs may be deleted if the records of such third parties are not made available to Agencies' representatives.

20.21 Disputes

20.21.1 The failure of Agencies and TSP to agree to any Change Order under this Section 20 (including agreement as to the amount of compensation allowed under a Time and Materials Change Order and the disputed amount of the increase in the Contract Price and/or extension of a Completion Deadline in connection with a Change Order as described above) shall be a Dispute to be resolved pursuant to Section 27. Except as otherwise specified in the Change Order, execution of a Change Order by both Parties shall be deemed accord and satisfaction of all claims by TSP of any nature in connection with the Toll Services covered by the Change Order and TSP shall be deemed to have expressly released, waived, and disclaimed any further compensation and time extension related thereto. TSP's Claim and any award by the dispute resolver shall be limited to the incremental costs incurred by TSP with respect to the disputed matter (crediting Agencies for any corresponding reduction in TSP's other costs) and shall in no event exceed the amounts allowed by Section 20.13.2

20.22 Toll Services Performed Without Direction

To the extent that TSP undertakes any efforts outside of the scope of Toll Services, unless TSP has received a Directive Letter or Change Order signed by Agencies to undertake such efforts, TSP shall be deemed to have undertaken the extra work voluntarily and shall not be entitled to a Change Order. In addition, Agencies may require TSP to remove or otherwise undo any such work without any time extension.

20.23 Changes Not Requiring Change Order

Deviations from standards specified in this Contract which have a neutral net cost effect and do not affect a Critical Path or Completion Deadline shall not require a Change Order provided such Deviations are approved by Agencies pursuant to TP Section 2.5.3.1. Any other change to this Contract shall require either a Directive Letter or a Change Order.

20.24 No Release or Waiver

20.24.1 No extension of time granted under this Contract shall release TSP's Surety or any Guarantor from its obligations. TSP shall continue to perform the Toll Services in accordance with this Contract and this Contract shall remain in full force and effect during the continuance unless formally suspended or terminated by Agencies in accordance with this Contract. Permitting TSP to finish any part of the Toll Services after a Completion Deadline, or the making of payments to TSP after such date, shall not constitute a waiver on the part of Agencies of any rights under this Contract, at law or in equity.

20.24.2 Neither the grant of an extension of time beyond the date fixed for the completion of any part of the Toll Services, nor the performance and acceptance of any part of the Toll Services or materials specified by the Contract after a Completion Deadline, shall be deemed to be a waiver by Agencies of any of its rights under this Contract, at law or in equity, including its right to terminate the Contract for abandonment or failure to complete within the time specified (as it may have been extended) or to impose and deduct damages as may be provided.

20.24.3 No course of conduct or dealings between the Parties nor express or implied acceptance of alterations or additions to the Toll Services, and no claim that Agencies have been unjustly enriched shall be the basis for any Claim, request for additional compensation or extension of a Completion Deadline. Further, TSP shall undertake, at its risk, work included in

any request, order or other authorization issued by a Person in excess of that Person's authority as provided herein, or included in any oral request. TSP shall be deemed to have performed such work as a volunteer and at its sole risk and cost. In addition, Agencies may require TSP to remove or otherwise undo any such work.

20.24.4 If the Change Notice includes a claim to an adjustment of any KPI or other Contract requirements, TSP will be required to demonstrate the effect on the KPIs or other Contract requirements using testing processes satisfactory to Agencies, in their sole discretion. Agencies have 20 Business Days after receipt of TSP's Change Notice or such longer or shorter period as the Parties may agree, to either accept or reject the Change Notice as submitted or to commence negotiation of an acceptable alternative. If Agencies fail to respond within 20 Business Days or such other agreed period, TSP may provide Notice to Agencies that it has not received a response, and if Agencies fail to respond within 10 Business Days after such additional Notice, Agencies' failure to respond shall be deemed to be a denial of TSP's entitlement to a Change Order as a result of the Change Notice. If the Parties are unable to resolve matters associated with Change Notice, the dispute shall be resolved in accordance with Section 27. If TSP proposes a Change Order as to a matter other than an Eligible Change, then Agencies have no obligation to approve the Change and its decision shall be final, binding and not subject to dispute resolution.

20.24.5 If as the sole and direct result of a Change, TSP is unable to maintain and comply with the KPIs, then Agencies and TSP will negotiate as part of the Change Order an appropriate adjustment to the affected KPIs. The adjustment shall be limited to the minimum extent necessary under the circumstances. TSP shall bear the burden of proof that it will be unable to maintain the affected KPIs as a sole and direct result of the Change.

20.24.6 If it is possible to avoid an adjustment to a KPI through a Change Order adjusting the Contract Price, but Agencies prefer not to incur the Contract Price adjustment, then TSP shall cooperate with and assist Agencies with analyzing trade-offs between price and KPI adjustments to give Agencies a range of choices on how to proceed with the Change Order.

SECTION 21 SUSPENSION

21.1 Suspension for Convenience

21.1.1 Agencies may, at any time, by Notice, order TSP to suspend all or any part of the Toll Services for its convenience for the period of time that Agencies deem appropriate.

21.1.2 TSP shall promptly comply with a Notice under Section 21.1.1.

21.1.3 TSP shall promptly recommence the Toll Services upon receipt of Notice from Agencies directing TSP to resume Toll Services.

21.2 Suspensions for Cause

21.2.1 Agencies may, by Notice order TSP to suspend the whole or any part of the Toll Services for TSP failure to:

(a) Correct conditions unsafe for the Toll Services personnel, Agencies' personnel, Other Agencies' Contractor personnel or the general public;

(b) Comply with any Governmental Approval, Governmental Rule or this Contract;

(c) Carry out orders or directions of Agencies in accordance with this Contract, Change Orders or Directive Letters;

(d) Comply with requirements for developing and implementing the Quality Management Plan;

(e) Remove or replace any Person as required under Section 15.6.2 or it TSP or its Subcontractors fail to ensure employment of an alternative skilled and experienced Person;

(f) Provide proof of required insurance coverage as provided in Section 17;

(g) Reopen lanes closed to public traffic as part of a Lane Closure by the time specified in the approved closure request as set forth in TP Section 4.7.2; or

(h) Comply with environmental requirements.

21.2.2 TSP shall promptly comply with a Notice under Section 21.2.1.

21.2.3 TSP shall promptly recommence the Toll Services upon receipt of Notice from Agencies directing TSP to resume the Toll Services.

21.2.4 Agencies have no liability to TSP and TSP is not entitled to make any Claim in connection with any suspension under Section 21.2.1.

21.2.5 If Agencies order suspension of Toll Services under Section 21.2 but it is finally determined under the Dispute Resolution procedures of this Contract that such grounds did not exist, it shall be treated as a suspension for Agencies' convenience under Section 21.1.

21.3 Department Suspensions

TSP acknowledges that Department may have the authority to issue an order suspending Toll Services wholly or in part and to take appropriate action when public safety is jeopardized as authorized under Streets and Highways Code § 91.2(b).. TSP shall promptly comply with any such written suspension order if Agencies verify the authority of the Department to issue the order. TSP shall promptly recommence the Toll Services upon receipt of Notice from Department directing TSP to resume the Toll Services. Neither Agencies nor Department shall have any liability to TSP in connection with any such suspension and TSP shall have no right to any Claim in connection with any such suspension.

21.4 Responsibilities of TSP During Suspension Periods

Where the Toll Services are suspended:

21.4.1 TSP remains responsible for the Toll Services and shall prevent damage, loss or injury to the I-15 Express Lanes Project and the Toll Services;

21.4.2 Agencies shall have full and immediate access to all operations, Software and Hardware, related data, transponder inventory, and any other assets owned by Agencies during the suspension; and

21.4.3 TSP shall continue to perform aspects of the Toll Services not subject to the suspension Notice.

SECTION 22 TERMINATION FOR CONVENIENCE

22.1 Termination for Convenience Notice

22.1.1 Agencies may, at any time, terminate this Contract in whole or in part, at its convenience by giving a Notice to TSP specifying the extent of termination and its effective date (Termination for Convenience Notice).

22.1.2 Termination (or partial termination) of this Contract shall not relieve any Surety or Guarantor of its obligation for any Claims in connection with the Toll Services performed or remaining to be performed (in the case of a partial termination).

TSP acknowledges and agrees that unless and until NTP2 is issued, RCTC has no liability to TSP for a Termination for Convenience under this Contract, except as provided under Section 22.10.

22.2 Transition Plan

22.2.1 Within three (3) Business Days after receipt of a Termination for Convenience Notice, TSP shall meet and confer with Agencies for the purpose of developing an interim transition plan for the orderly transition of the terminated Toll Services, demobilization and transfer of the Toll Services project to Agencies.

22.2.2 The Parties shall use diligent efforts to complete preparation of:

(a) The interim transition plan within 10 Business Days after TSP receives Termination for Convenience Notice; and

(b) A final transition plan within 20 Business Days after TSP receives Termination for Convenience Notice.

22.2.3 The transition plan shall be in form and substance acceptable to Agencies in their good faith discretion and shall include and be consistent with the other provisions and procedures set forth in Section 22.2 and TP Section 18.1, which provisions and procedures TSP shall immediately follow, regardless of any delay in preparation or acceptance of the transition plan.

22.3 Acceptance

22.3.1 TSP remains responsible for damage and loss to materials, Equipment, Hardware and Software after issuance of the Termination for Convenience Notice, except as follows:

(a) TSP's responsibility for damage to materials, Equipment, Hardware and Software for which partial payment has been made as provided in this Contract shall terminate when

Agencies' Representatives certifiy that those materials, Equipment, Hardware and Software have been stored in the manner and at the locations directed by Agencies;

(b) TSP's responsibility for damage to materials, Equipment, Hardware and Software purchased by Agencies subsequent to the issuance of the Notice that the Contract is to be terminated shall terminate when title and delivery of those materials, Equipment, Hardware and Software have been taken by Agencies, or the applicable Agency; and

22.3.2 When Agencies' Representatives determine that TSP has completed the Toll Services directed to be completed prior to termination and such other work as may have been ordered to secure the work for termination, Agencies' Representatives will recommend that Agencies formally accept such Toll Services, and immediately upon and after the acceptance by Agencies , TSP will not be required to perform any further work and shall be relieved of maintenance responsibility for such terminated Toll Services.

22.4 Payment for Termination for Convenience

22.4.1 If Agencies terminate this Contract for convenience under Section 22.1, TSP will be entitled to payment of the following amounts (collectively, the Termination for Convenience Amount):

(a) All Toll Services performed prior to the Termination Date in accordance with this Contract but not previously paid for including payment for any Software licensed by TSP at Agencies' request, to be determined in accordance with the Payment Milestones, excluding any amounts for anticipated profits with respect to Toll Services not yet performed or lost opportunity;

(b) TSP's documented reasonable direct Costs of demobilization, including close-out Costs and amounts payable to Subcontractors and Suppliers that have subcontracts in accordance with the terms of this Contract for early termination; and

(c) The reasonable out-of-pocket Cost (including reasonable overhead) of the preservation and protection of property incurred in accordance with Section 24.1.9 and any other reasonable out-of-pocket Cost (including reasonable overhead) incidental to termination of the Toll Services, including the reasonable Cost to TSP of handling material returned to the vendor, delivered to Agencies or otherwise disposed of as directed by Agencies.

22.4.2 TSP and Agencies may agree upon the Termination for Convenience Amount, as provided in Section 22.2 by reason of any termination for convenience. Such negotiated settlement may include a reasonable allowance for profit solely on D&D Work or CSC Commencement Period Toll Services which has been completed as of the Termination Date and subsequently inspected and accepted by Agencies.

22.4.3 TSP acknowledges and agrees that the Termination for Convenience Amount or any negotiated amount under Section 22.4.2 shall not exceed:

(a) The value of the Toll Services performed plus its settlement costs, and that items such as lost or anticipated profits, unabsorbed overhead and opportunity costs shall not be recoverable in the Termination for Convenience Amount; or

(b) The total Contract Price less the amount of payments previously made and the Contract Price of Toll Services not terminated.

22.4.4 In the event that any refund is payable with respect to insurance or bond premiums, deposits or other items which were previously passed through to Agencies by TSP and paid by Agencies, such refund shall be paid directly to Agencies or otherwise credited to Agencies or deducted from the Termination for Convenience Amount.

22.4.5 Except to the extent that Agencies will have expressly assumed the risk of loss, the Termination for Convenience Amount excludes the fair value, as determined by Agencies, of Equipment, Hardware, Software and property which is destroyed, lost, stolen, or damaged so as to become undeliverable to Agencies.

22.4.6 Upon determination of the Termination for Convenience Amount or agreement of any settlement amount, this Contract shall be amended to reflect the agreed termination payment, TSP shall be paid the agreed amount, and the Contract Price shall be reduced to reflect the reduced scope of the Toll Services.

22.5 Settlement Proposal

No later than 90 days from the Termination for Convenience Notice, TSP shall submit a final termination settlement proposal (including the proposed Termination for Convenience Amount) for review in accordance with the Submittal Process with such certifications as are requested by Agencies. If TSP fails to submit the proposal within the time allowed, Agencies may determine the Termination for Convenience Amount and TSP shall be bound by Agencies' determination.

22.6 Amount of Negotiated Termination Settlement

22.6.1 TSP and Agencies may agree upon the Termination for Convenience Amount, as provided and subject to the limitations in Section 22.4, by reason of any termination for convenience. Such negotiated settlement may include a reasonable allowance for profit solely on Work that has been completed as of the Termination Date and subsequently inspected and accepted by Agencies.

22.6.2 Upon determination of the settlement amount, this Contract will be amended accordingly, and TSP will, subject to Section 22.8, be paid the agreed amount as described in this Section 22.6. Agencies' execution and delivery of any settlement agreement shall not affect any of its rights under this Contract with respect to completed Work, relieve TSP from its obligations under this Contract, including warranties, or affect the right and obligations of Agencies or TSP under any Bond and/or Guaranty as to such completed or non-terminated Work.

22.7 No Agreement as to Amount of Termination Settlement for Toll Services

22.7.1 If TSP and Agencies fail to agree upon any amount payable to TSP because of Agencies' termination of Toll Services for convenience in accordance with this Section 22, Agencies shall pay to TSP Termination for Convenience Amount (exclusive of interest charges and any amounts deducted pursuant to Section 22.9) as calculated by Agencies and without duplication of any items or of any amounts agreed upon in accordance with Section 22.6.

22.8 Conditions to Payment; Reduction in Amount of Claim

22.8.1 As a condition to its obligation to pay TSP amounts due under this Section 22, Agencies shall have received the following:

(a) A list of all outstanding or pending TSP Change Requests and all existing or threatened Claims, Liens and stop payment notices by Subcontractors or other third parties relating to the Toll Services;

(b) Complete and legally effective releases or waivers of Liens and stop payment notices satisfactory to Agencies, from all Persons legally eligible to file Liens and stop payment notices in connection with the Toll Services;

(c) Consent of any Guarantors and Surety(ies);

(d) Executed release(s) meeting the requirements of Section 22.11 and otherwise satisfactory in form and content to Agencies; and

(e) Such other documentation as Agencies may reasonably require.

22.9 Payment upon Termination

22.9.1 Subject to Section 22.11 and except for amounts in dispute, Agencies shall pay the Termination for Convenience Amount within 45 days after receipt of an invoice from TSP.

22.9.2 Agencies may, from time to time within such 45 day period make partial payments on account against Costs incurred by TSP in connection with the terminated portion of this Contract, whenever in the opinion of Agencies, the aggregate of such payments shall be within the amount to which TSP will be entitled under this Contract. If the total of such payments is in excess of the Termination for Convenience Amount finally agreed or determined to be due under this Section 22, such excess shall be payable by TSP to Agencies upon demand together with interest at the rate of the lesser of (a) 10% per annum or (b) the maximum rate allowable under applicable Governmental Rule.

22.10 Termination Based on Delay in or Failure to Issue NTP2

22.10.1 RCTC may, at any time after issuance of NTP1 and for any reason, elect not to issue NTP2 and terminate this Contract and the performance of the Toll Services by TSP. In such event, RCTC's sole liability to TSP is to pay TSP any unpaid amounts due for Work performed pursuant to NTP1 in accordance with Sections 18.2.

22.10.2 If NTP2 has not been issued on or before 540 days after the Proposal Date, and this delay is not caused by an act or failure to act by any TSP-Related Entity or any TSP Fault, TSP may terminate this Contract at any time, which right shall be exercised by delivery of notice of termination to RCTC. In such event, no compensation shall be allowed under this Contract in connection with the termination except as set out in Section 6.5.1.

22.11 No Waiver; Release

22.11.1 The payment to TSP determined in accordance with this Section 22 constitutes TSP's exclusive remedy for a termination under this Contract.

22.11.2 Notwithstanding any other provision of this Contract, a termination under this Section 22 shall not waive any Claim that Agencies may have under this Contract and Agencies may pursue any such Claim against TSP.

22.12 Dispute Resolution

The failure of the Parties to agree on amounts due under this Section 22 shall be a Dispute to be resolved in accordance with Section 27.

22.13 Allowability of Costs

All Costs claimed by TSP under this Section 22 shall be allowable, allocable and reasonable in accordance with the cost principles and procedures of 48 CFR Part 31.

SECTION 23 TERMINATION FOR DEFAULT

23.1 Default of TSP

TSP shall be in default under this Contract upon the occurrence of any one or more of the following events or conditions:

23.1.1 TSP fails to prosecute the Toll Services in a timely fashion and fails to commence or resume diligent prosecution of the Toll Services within 10 Business Days after Notice of such breach;

23.1.2 TSP has not achieved (A) Factory Acceptance within 60 days of the commencement of the Factory Acceptance Test as shown in the Project Schedule, (B) CSC Commencement within 30 days following the CSC Commencement Deadline, (C) Revenue Service Commencement within 60 days following the Revenue Service Commencement Deadline; or (D) TCS Acceptance within 90 days following the TCS Acceptance Deadline;

23.1.3 TSP fails to maintain or provide the insurance, Bonds, guarantees, letters of credit or other performance security as and when required under this Contract for the benefit of relevant parties, or fails to comply with any requirement of this Contract pertaining to the amount, terms or coverage of the same;

23.1.4 TSP attempts or purports to assign or transfer this Contract or any right or interest in this Contract, except as expressly permitted under Section 31.5.2;

23.1.5 TSP (i) fails, absent a valid dispute, to make payment when due for labor or Equipment in accordance with its agreements with Subcontractors and applicable Governmental Rule, (ii) fails to comply with any Governmental Rule, (iii) fails reasonably to comply with the instructions of Agencies consistent with this Contract, or (iv) fails to make payment to Agencies when due of any amounts owing to Agencies under this Contract;

23.1.6 TSP breaches any other agreement, covenant, representation or warranty contained in this Contract that is not otherwise specifically listed in this Section 23.1;

23.1.7 Any Guarantor revokes or attempts to revoke its obligations under its guaranty or otherwise takes the position that such instrument is no longer in full force and effect;

23.1.8 Any final judgment is issued holding TSP or any Guarantor liable for an amount in excess of $100,000 based on a finding of intentional or reckless misconduct or violation of a state or federal false claims act;

23.1.9 Any representation or warranty made by TSP in this Contract or any Guarantor in the Guaranty or any certificate, schedule, instrument or other document delivered by TSP in accordance with this Contract or the Guarantor under the Guarantee was false or materially misleading when made;

23.1.10 TSP commences a voluntary case seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect; seeks the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets; becomes insolvent, or generally does not pay its debts as they become due; admits in writing its inability to pay its debts; makes an assignment for the benefit of creditors; or takes any action to authorize any of the foregoing; or any of the foregoing acts or events shall occur with respect to any of TSP's partners, members or joint venturers, any material Subcontractors, or any surety, Guarantor or letter of credit Bank;

23.1.11 An involuntary case is commenced against TSP seeking liquidation, reorganization, dissolution, winding up, a composition or arrangement with creditors, a readjustment of debts or other relief with respect to TSP or TSP's debts under any bankruptcy, insolvency or other similar Governmental Rules now or hereafter in effect; seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of TSP or any substantial part of TSP's assets; seeking the issuance of a writ of attachment, execution, or similar process; or seeking like relief, and such involuntary case shall not be contested by TSP in good faith or shall remain undismissed and unstayed for a period of 60 days; or any such involuntary case; or any of the foregoing acts or events shall occur with respect to any of TSP's partners, members or joint venturers, any material Subcontractors, or any surety, Guarantor or letter of credit bank;

23.1.12 In any voluntary or involuntary case seeking liquidation, reorganization or other relief with respect to TSP or its debts under any bankruptcy, insolvency or other similar Governmental Rule now or hereafter in effect, this Contract is rejected, including a rejection pursuant to 11 USC § 365 or any successor statute;

23.1.13 TSP is a party to fraud;

23.1.14 A Persistent Breach occurs;

23.1.15 TSP causes or allows a closing or shutdown of all or a portion of the I-15 Express Lanes Project or the 91 Express Lanes or the Toll Infrastructure in a way not authorized by this Contract, or the Business Rules, or causes or allows to exist any other condition on or with respect to the Toll Infrastructure which results or may reasonably be expected to result in a material loss of Gross Revenues to Agencies, and TSP fails to commence diligent, sustained efforts to remedy such condition within four hours, or fails to complete the remedy of such condition within 48 hours, after Notice of such breach; provided that such cure period shall not preclude or delay Agencies' immediate exercise, without Notice or demand, of their rights to cure this condition; and provided further that where an act or omission of TSP constitutes a breach under this Section 23.1.15 and any other Section, this Section 23.1.15 shall control; or

23.1.16 TSP incurs liability to Agencies for damages, including Liquidated Damages, in an amount equal to or greater than (but for such limitation) ninety-five percent (95%) of the limitation on TSP's liability in Section 25.1.1(a) prior to TCS Acceptance or Section 25.1.2(a) after TCS Acceptance; or

23.1.17 TSP suspends, ceases, stops or abandons the Work or fails to continuously and diligently prosecute the Work (exclusive of Work stoppage (i) due to termination by Agencies, (ii) due to and during the continuance of a Force Majeure Event or suspension by Agencies, or (iii) in accordance with Section 23.5.

23.2 Notice and Opportunity to Cure

(a) TSP and Eligible Surety shall be entitled to 10 Business Days' Notice and opportunity to cure any breach before a TSP Event of Default is declared under Section 23.1.3, Section 23.1.6, Section 23.1.7, or Section 23.1.17,

(b) No Notice or opportunity to cure is required for any breach under Sections 23.1.1 or 23.1.2 or for any breach which by its nature cannot be cured (which shall include the items described in Section 23.1.8, Section 23.1.9, Section 23.1.10 through Section 23.1.16).

(c) With respect to any breach under Section 23.1.16, Section 25.2 shall apply.

(d) Failure to provide Notice to the Surety shall not preclude Agencies from exercising their rights against TSP.

(e) If a breach under Section 23.1.3, Section 23.1.6, Section 23.1.7 or Section 23.1.17 is capable of cure but, by its nature, cannot be cured within 10 Business Days, as determined by Agencies, such additional period of time shall be allowed as may be reasonably necessary to cure the breach so long as TSP commences such cure within such 15 day period and thereafter diligently prosecutes such cure to completion, In no event shall any cure period under this paragraph exceed 60 days in total unless Agencies, in their sole discretion, agree by Notice to extend such time.

(f) With respect to a breach declared under Section 23.1.14, Agencies may declare an anticipatory breach under Section 23.6, in which case the provisions of Section 23.6 shall apply.

(g) In the event of existence of a condition on or affecting the Toll Infrastructure which Agencies believe poses an immediate and imminent danger to public health or safety, Agencies may, without Notice and without awaiting lapse of the period to cure any default, rectify the dangerous condition at TSP's cost. and so long as Agencies undertake such action in good faith, even if under a mistaken belief in the occurrence of such default, such action shall not expose Agencies to any liability to TSP and shall not entitle TSP to any other remedy, Change Order or Claim, it being acknowledged that Agencies have a paramount public interest in providing and maintaining safe public use of and access to the Toll Infrastructure. Agencies' good faith determination of the existence of such danger shall be deemed conclusive in the absence of clear and convincing evidence to the contrary.

23.3 Remedies

23.3.1 If any breach described in Sections 23.1.1 or 23.1.2 are not subject to cure or is not cured within the period (if any) specified in Section 23.2, Agencies may provide a Notice to TSP and, as appropriate, the surety declaring that a "TSP Event of Default" has occurred and notify TSP to discontinue the Toll Services. In addition to all other rights provided by law or equity and such rights as are otherwise available under this Contract (but in each case subject to the limitation of liability in Section 25.1), the Performance Bond(s), the Maintenance Bond(s), any guaranty and any letters of credit, if a TSP Event of Default shall occur, Agencies may, without further notice and without waiving or releasing TSP from any obligations, do any and all of the following and TSP shall have the following obligations (as applicable):

(a) Agencies may terminate this Contract, or a portion of it, including TSP's rights of entry upon, possession, control, operation and maintenance of the Toll Infrastructure and the ROC by providing Notice to TSP specifying the extent of termination and its effective date (Termination for Default Notice), in which case, the provisions of Sections 24.1, 24.2 and 24.3 shall apply;

(b) If, and as directed by Agencies, TSP shall withdraw from the I-15 Express Lanes and 91 Express Lanes, including the ROC, as specified by Agencies and shall remove, at Agencies' direction, materials, Equipment, tools and instruments used by, and any debris or waste materials generated by, any TSP-Related Entity in the performance of the Toll Services;

(c) TSP shall deliver to Agencies documents, Equipment, Hardware, Software, materials, tools, instruments and facilities related to the Toll Services that Agencies deem necessary for completion of the Toll Services and the operation and maintenance of the TCS and ROC;

(d) TSP shall confirm the assignment to Agencies of the Subcontracts requested by Agencies and TSP shall terminate, at its sole cost, all other Subcontracts;

(e) Agencies may, deduct and offset any such amounts payable by TSP to Agencies, including reimbursements owing, Liquidated Damages, an amount Agencies deem advisable to cover any existing or threatened claims, liens and stop notices of Subcontractors, laborers, or Utility owners against TSP or against Agencies, the amount of any Losses that have accrued, the cost to complete or remediate uncompleted Toll Services, Nonconformances or other damages, Losses or amounts that Agencies have determined are or may be payable to Agencies under this Contract against amounts otherwise payable by Agencies to TSP;

(f) Agencies may draw or realize upon any bonds, funds, collateral or security then held by Agencies, including the Performance Bond(s), the Maintenance Bonds, any guaranty and any letter of credit;

(g) Agencies may appropriate any or all materials, supplies, Hardware, Software and Equipment at the Site (including the ROC) as may be suitable and acceptable to Agencies and may direct the surety to complete this Contract or may enter into an agreement for the completion of this Contract according to the terms and provisions of this Contract with one or more contractors, vendors or providers or the Surety, or use such other methods as may be required for the completion of the Toll Services by Agencies; and/or

(h) If Agencies exercise any right to perform any obligations of TSP, in the exercise of such right, Agencies may among other things: (i) perform or attempt to perform, or cause to be performed, such Toll Services; (ii) spend such sums as Agencies deem necessary and reasonable to employ and pay such professionals, contractors, vendors and providers and obtain materials, Equipment, Hardware and Software as may be required for the purpose of completing such Toll Services; (iii) execute all applications, certificates and other documents as may be required for completing the work; (iv) modify or terminate any contractual arrangements; (v) take any and all other actions which it may in its sole discretion consider necessary to complete the Toll Services; and (vi) prosecute and defend any action or proceeding incident to the Toll Services.

23.3.2 In addition to other damages that may be applicable under this Contract, if a TSP Event of Default has occurred during performance of the D&D Work, TSP, Surety and each Guarantor shall be jointly and severally liable to RCTC for all Costs incurred by RCTC or any party acting on RCTC's behalf in completing the Toll Services or having the Toll Services completed by another Person (including any re-procurement costs, throw away costs for unused portions of the completed Toll Services, and increased O&M Work and financing costs). Without limiting Section 18.12, upon occurrence of an Event of Default and so long as it continues, RCTC may withhold all or any portion of further payments to TSP until the later of (i) the TCS Acceptance Date, or (ii) the date on which RCTC otherwise accepts the TCS as complete or determines that it will not proceed with completion, at which time RCTC will determine whether and to what extent TSP is entitled to further payments. Promptly following such TCS Acceptance Date or the date on which RCTC otherwise accepts the TCS as complete or determines that it will not proceed with completion, the total cost of all completed Toll Services shall be determined, and RCTC shall notify TSP, the Surety and each Guarantor in writing of the amount, if any, that TSP, the Surety and each Guarantor shall pay RCTC or RCTC shall pay TSP or its surety with respect thereto. All costs and charges incurred by RCTC, including attorneys', consultants', accountants' and expert witness fees and costs, together with the cost of completing the D&D Work or the CSC Commencement Period Toll Services and any other deduction that RCTC would be entitled to make with respect to a Final Payment of the Total Capital Cost, will be deducted from any moneys due or which may become due to TSP or its surety. If such expense exceeds the sum which would have been payable under this Contract, then TSP and its Surety(ies) and each Guarantor shall be liable and shall pay to RCTC the amount of such excess. If the Surety or Guarantor fails to pay such amount immediately upon RCTC's demand, then RCTC may collect interest from the Surety or Guarantor on the amounts RCTC is required to pay in excess of the remaining balance of the Contract Price. The interest rate which the Surety and each Guarantor shall pay shall be the lesser of (a) 10% per annum or (b) the maximum rate allowable under applicable Governmental Rules. The interest rate shall accrue on all amounts RCTC has had to pay excess on the remaining balance of the Contract Price.

23.3.3 TSP acknowledges that if a default under Sections 23.1.10, or 23.1.11 occurs, such event could impair or frustrate TSP's performance of the Toll Services. Accordingly, TSP agrees that upon the occurrence of any such event, Agencies may request of TSP, adequate assurance of future performance in accordance with the terms and conditions hereof. Failure to comply with such request within 10 Business Days of delivery of the request shall entitle Agencies to terminate this Contract and to the accompanying rights set forth above. Pending receipt of adequate assurance of performance and actual performance in accordance therewith, Agencies may proceed with the Toll Services with their own forces or with other contractors, vendors and providers on a time and material or other appropriate basis, the cost of which will be credited against and deducted from Agencies' payment obligations under this Contract. The foregoing

shall be in addition to all other rights provided by Governmental Rule or equity and such rights as are otherwise available under this Contract, any guaranty and the Performance Bond(s), the Maintenance Bonds and any letter of credit.

23.3.4 In lieu of the provisions of this Section 23.3 for terminating this Contract and completing the Toll Services, Agencies may, in their sole discretion, pay TSP for the parts already done according to the provisions of this Contract and may treat the parts remaining undone as if they had never been included or contemplated by this Contract. No claim under this provision will be allowed for prospective profits on, or any other compensation relating to, Toll Services uncompleted by TSP.

23.3.5 If this Contract is terminated for grounds which are later determined not to justify a termination for default, such termination shall be deemed to constitute a termination for convenience in accordance with Section 22.

23.3.6 The exercise or beginning of the exercise by Agencies of any one or more rights under this Section 23.3 shall not preclude the simultaneous or later exercise by Agencies of any or all other such rights, each of which shall be cumulative.

23.3.7 If Agencies suffer damages or other Losses as a result of TSP's breach or failure to perform an obligation under this Contract, then, subject to the limitation on liability contained in Section 25, Agencies may recover such damages and Losses from TSP regardless of whether the breach or failure that gives rise to the damages or Losses ripens into a TSP Event of Default.

23.3.8 TSP, Surety and Guarantor shall not be relieved of liability for continuing Liquidated Damages on account of a default by TSP under this Contract or by Agencies' declaration of a TSP Event of Default, or by actions taken by Agencies under this Section 23.3

23.3.9 Agencies' rights with respect to Nonconformances shall include the right to accept such Toll Services and reduce the Total Capital Cost in lieu of the rights specified in this Section 23.

23.3.10 If Agencies exercise any right to perform any obligations of TSP with respect to Toll Services, in the exercise of such rights, Agencies may, among other things:

(a) Perform or attempt to perform, or cause to be performed, such Toll Services;

(b) Employ security guards and other safeguards to protect such Toll Infrastructure and the ROC;

(c) Spend such sums as Agencies deem necessary and reasonable to employ and pay such engineers, consultants, suppliers, programmers, contractors and customer service representatives, including one or more replacement contractor(s), as may be required for the purpose of completing or performing the Toll Services;

(d) Take possession of the Toll Infrastructure and the ROC, and of all Equipment, Hardware, Software, materials, instruments and tools located there which are owned or provided by TSP;

(e) Draw on and use proceeds from any Bond, guaranty and any letter of credit in accordance with the terms of such document to pay such sums;

(f) Execute all applications, certificates and other documents as may be required to perform the Toll Services;

(g) Make decisions respecting, assume control over and continue the operation of the TCS as Agencies determine appropriate;

(h) Modify or terminate any contractual arrangements, including any Subcontracts;

(i) Take any and all other actions which Agencies may in their sole discretion consider necessary to perform the Toll Services; and/or

(j) Prosecute and defend any action or proceeding incident to operating or maintaining the TCS.

23.4 Failure to Comply Caused by Delay Event

Relief from Excusable Delay shall only apply to the particular element of the Toll Services with respect to which it has occurred. If TSP fails to meet the Project Schedule as a result of an Excusable Delay, Agencies shall not be entitled to terminate this Contract or exercise any of the rights described in Section 23.3 for such failure of TSP to perform, except as follows: (i) if TSP fails to perform or delays the performance of any Toll Services as the result of an Excusable Delay, then Agencies may cause Third Parties to perform such Toll Services, and, in such event, the cost of such Toll Services shall be deducted from the Contract Price; and (ii) occurrence of an Excusable Delay shall not excuse TSP from its obligation to pay damages, including Delay Liquidated Damages, for failure to achieve any Completion Milestone by the applicable Completion Deadline; provided, however, that to the extent that TSP is excused from payment of Delay Liquidated Damages by reason of Section 25 or otherwise, Agencies may treat the Excusable Delay as a TSP Event of Default and may terminate this Contract and exercise any and all rights available under this Contract.

23.5 Right to Stop Work for Failure by Agencies to Make Undisputed Payment

TSP may suspend the Toll Services to an Agency if the applicable Agency fails to pay undisputed amounts due to TSP under this Contract within 90 days from the due date for such payment and Agency fails to make such payment within 15 Business Days after the Agency receives from TSP Notice of such delinquency following the 90 day period. A copy of the TSP Notice shall also be provided to the non-delinquent Agency. Any such work stoppage shall be considered a suspension for convenience under Section 21. TSP shall not have the right to terminate this Contract for default as the result of any failure by an Agency to make an undisputed payment due under this Contract, but TSP may declare a Termination for Convenience under Section 22 by delivering to the delinquent Agency a Termination for Convenience Notice specifying the Termination Date, if such nonpayment of an undisputed amount continues for more than 180 days after Agency's receipt of Notice of nonpayment from TSP. A copy of such Notice shall also be provided to the non-delinquent Agency.

23.6 Anticipatory Breach

23.6.1 TSP recognizes and acknowledges that a pattern or practice of continuing, repeated or numerous breaches or failures to perform by TSP, even if individual instances are not material or

are eventually cured, will undermine the confidence and trust essential to the success of this Contract and will have a material, cumulative adverse impact on the value of this Contract to Agencies and the use, operation and enjoyment of the I-15 Express Lanes Project and 91 Express Lanes by the traveling public. TSP acknowledges and agrees that the measures for determining the existence of such a pattern or practice described in the definition of Persistent Breach are a fair and appropriate objective basis to conclude that such a pattern or practice will continue.

23.6.2 Accordingly, in the event Agencies issue a notice under Section 23.2 with respect to a breach under Section 23.1.14 for a Persistent Breach, Agencies may declare an anticipatory breach of this Contract by TSP. So long as the circumstances under the definition of Persistent Breach have occurred, any such declaration of anticipatory breach shall be valid, conclusive and binding, and such breach shall be deemed material even if such items comprising the Persistent Breach have been cured.

23.6.3 TSP has a reasonable period of time, in no event to exceed the time period for each requirement stated below (measured from the date Agencies issue notice of anticipatory breach), to fully and completely deliver all of the following assurances of performance, which TSP agrees and acknowledges are (i) the minimum necessary to tender adequate assurance of performance and (ii) reasonable, fair and appropriate to bring to a halt the pattern and practice of continuing, repeated and numerous breaches and failure to perform:

(a) Full and complete cure of all outstanding TSP defaults, to be completed within 30 days (provided, however, that the foregoing shall not modify or limit Agencies' rights to declare a TSP Event of Default or exercise rights with respect thereto or to other breaches under Sections 23.1.1 or 23.1.2 that have no cure period or a shorter cure period than 30 days);

(b) Any new Key Personnel replacement, to the extent required by Agencies, each replacement to be acceptable to Agencies, in their sole discretion, to be completed within 30 days;

(c) A revised and restated Quality Management Plan, meeting Good Industry Practice, in form and content acceptable to Agencies, in their good faith discretion, to be completed and delivered within 15 days. As part of the revised plans, Agencies may increase the level of Agencies' involvement and oversight, at the sole cost and expense of TSP, and such involvement shall not be cause for any relief or rights on the part of TSP under this Contract or otherwise;

(d) Replacement of each Subcontractor that Agencies determine is or was a material source of any continuing, repetitive or chronic breach or failure to perform (including any Subcontractor with responsibility for quality assurance or quality control), with a substitute Subcontractor acceptable to Agencies, in their good faith discretion, within 60 days; and

(e) Notwithstanding any limitation on the maximum amount of the Bonds under Section 16.1 and Section 16.3 or otherwise, TSP shall increase the bonded sums under the Bonds in place by 50%, to be completed within 15 days or, alternatively, provide a letter of credit or cash collateral in such amount or otherwise provide additional security acceptable to Agencies, in their sole discretion; provided, however, that the foregoing is not intended to increase the amounts of any applicable limitation of liability in Section 25.1.

23.6.4 If, for any reason, TSP fails to complete any element of the assurances of performance described in this Section 23.6 within the applicable time period, the same shall constitute an

uncured material TSP Event of Default. Thereupon, Agencies, without further notice and cure period, shall be able to immediately exercise all rights under Section 23.3 and otherwise under this Contract, at law or in equity.

23.6.5 Nothing contained in this Section 23.6 shall modify, alter, discharge or release TSP from any obligations to pay Liquidated Damages or other compensation under this Contract.

SECTION 24 OBLIGATIONS UPON TERMINATION

24.1 TSP's Responsibilities After Receipt of Termination Notice during D&D Phase

After receipt of a Termination Notice during the D&D Phase, and except as otherwise directed by RCTC, TSP shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under Section 22:

24.1.1 Stop Work as specified in the Termination Notice. If TSP has commenced D&D Work or the CSC Commencement Period Toll Services at the Site, TSP shall immediately and safely demobilize and secure its work and staging areas in a manner satisfactory to RCTC.

24.1.2 Notify all affected Subcontractors that this Contract is being terminated and that their Subcontracts (including orders for Equipment, Hardware, Software, materials, services or facilities) are not to be further performed unless otherwise authorized in writing by RCTC.

24.1.3 Enter into no further Subcontracts (including orders for Equipment, Hardware, Software, materials, services or facilities), except as necessary to complete the continued portion of the Toll Services, if any, or for mitigation of damages.

24.1.4 Unless instructed otherwise by RCTC, terminate all Subcontracts to the extent they relate to the Toll Services terminated.

24.1.5 Assign to RCTC in the manner, at the times, and to the extent directed by RCTC, in its sole discretion, all of the right, title, and interest of TSP under the Subcontracts so terminated, in which case RCTC may accept performance, settle or pay any termination settlement proposal in connection with the termination of such Subcontract.

24.1.6 Subject to the prior written approval of RCTC, settle all outstanding liabilities, claims and all termination settlement proposals arising from termination of Subcontracts that are required to be terminated under this Contract.

24.1.7 No later than 30 days from the Termination Date, unless extended in writing by RCTC upon written request of TSP within such 30 day period, provide RCTC with an inventory list of all Equipment, Hardware and Software previously produced, purchased or ordered from Suppliers for use in the Toll Services and not yet used in the Toll Services, including its storage location, as well as any documentation or other property required to be delivered under this Contract which is either in the process of development or previously completed but not yet delivered to RCTC, and such other information as RCTC may request; and transfer title (or, with respect to any third party licensed Software, assign to RCTC all of TSP's and any TSP-Related Entity's license to such Software, or obtain a direct license in the name of RCTC for such Software on the same terms) and deliver to RCTC through bills of sale or other documents of title, assignment or license, as applicable, as directed by RCTC, (a) the D&D Work or the CSC Commencement Period Toll

Services in process, completed D&D Work or the CSC Commencement Period Toll Services, Equipment, any Hardware, Software and other material produced or acquired for the Toll Services terminated that has not already been provided to RCTC, and (b) the TCS Documentation, Plans, and all other completed or partially completed drawings (including plans, elevations, sections, details and diagrams), specifications, records, samples, information and other property that would have been required to be furnished to RCTC if the D&D Work or the CSC Commencement Period Toll Services had been completed.

24.1.8 Complete performance in accordance with this Contract of all D&D Work or CSC Commencement Period Toll Services not terminated.

24.1.9 Take all action that may be necessary, or that RCTC may direct, in its sole discretion, for the safety, protection and preservation of (a) the public, including public and private vehicular movement, (b) the D&D Work or the CSC Commencement Period Toll Services, and (c) Equipment Hardware, Software and property related to the Toll Services that is in the possession of TSP and in which RCTC has or may acquire an interest.

24.1.10 If requested by RCTC, withdraw from the portions of the Site designated by RCTC and remove such Equipment used by, and any debris or waste materials generated by, TSP and any Subcontractor in the performance of the D&D Work or CSC Commencement Period Toll Services as RCTC may direct.

24.1.11 Take other actions directed by RCTC.

24.2 Responsibility for Equipment, Hardware and Software After Termination Notice

24.2.1 TSP shall continue to be responsible for loss or damage to Equipment, Hardware and Software after issuance of the Termination Notice, except as follows:

(a) TSP's responsibility for loss or damage to Equipment, Hardware and Software for which partial payment has been made as provided under this Contract shall terminate when the applicable Agency's Representative certifies that the applicable Equipment has been stored in the manner and at the locations directed by Agency.

(b) TSP's responsibility for damage to Equipment, Hardware and Software purchased by the applicable Agency subsequent to the issuance of the Termination Notice shall terminate when title and delivery of those materials has been taken by Agency or its designee.

24.2.2 When RCTC's Representative determines that TSP has completed the D&D Work or CSC Commencement Period Toll Services directed to be completed prior to termination and such other work as may have been ordered to secure the applicable portion of the Toll Services for termination, RCTC's Representative will recommend that RCTC formally accept such D&D Work or CSC Commencement Period Toll Services, and immediately upon and after such acceptance by RCTC, TSP will not be required to provide for continuing safety, security and maintenance at the applicable Site.

24.3 TSP's Responsibilities Upon Expiry Date or After Receipt of Termination

Notice during O&M Term

24.3.1 Prior to the Expiry Date, TSP shall confer and cooperate with Agencies and any Successor to determine the activities required in order to terminate in a safe and orderly manner and to allow the transition without interruption of O&M Work performed by TSP under this Contract to a Successor.

24.3.2 Upon the Expiry Date, TSP shall, except as otherwise provided in Sections 24.3.3 and 24.3.6, remove its personnel from the ROC and leave such facilities in good repair in at least the condition TSP is required to maintain at that time under this Contract, with an equivalent supply of Components as were present on the Revenue Service Commencement Date, or such modified supply as has been agreed to by the Parties. All such items shall remain the property of the applicable Agency without additional charge, and upon the Expiry Date possession and control of the ROC, and TCS shall be transferred to the applicable Agency, unless otherwise directed by Agency. Agencies may request that certain transition related documentation or functions be transferred to the Successor before the Expiry Date. TSP shall comply with such requests from Agencies within 10 Business Days. TSP shall provide full database access to the Successor for the legacy TCS a minimum of 120 days prior to the Expiry Date.

24.3.3 If the Expiry Date occurs during the O&M Term, TSP shall allow Agencies to recruit and retain as its employees (or as employees of any successor operator of the TCS under contract with Agencies) including TSP's non-management operating staff working exclusively on the Toll Services. No later than 90 days prior to the Expiry Date (or within 30 days after receipt of a Notice of Termination during the O&M Term), TSP shall submit to Agencies detailed information relating to each such operating employee and his or her compensation, role or function and working hours in performing the Toll Services. Such information shall be in sufficient detail that Agencies or any Successor may contact such employee and seek to engage such employee on substantially the same terms and conditions as such employee is presently engaged by TSP or on such other terms and conditions as Agencies may then be bound to under any applicable labor agreement. Within 30 days of TSP's submission to Agencies of such information, Agencies shall provide Notice of each such employee whom Agencies or any such Successor wishes to recruit. TSP shall allow the Successor to conduct on-site interviews of such employees. Nothing contained in Section 24.3.3 is intended to require that TSP violate any Governmental Rule regarding employment or privacy.

24.3.4 No fewer than 90 days prior to the Expiry Date (or within 30 days after receipt of a Notice of Termination during the O&M Term), TSP shall provide Agencies with an inventory list of all Equipment, Hardware and Software produced, purchased or ordered from Suppliers for use in the O&M Work and not yet used in the O&M Work, including its storage location, as well as any documentation or other property required to be delivered under this Contract which is either in the process of development or previously completed but not yet delivered to Agencies, and such other information as Agencies may request. No fewer than 90 days prior to the Expiry Date (or within 30 days after receipt of a Notice of Termination during the O&M Term), TSP shall transfer title (or, with respect to any third party licensed Software, assign to Agencies all of TSP's and any TSP-Related Entity's license to such Software, or obtain a direct license in the name of Agencies for such Software on the same terms) and deliver to Agencies through bills of sale or other documents of title, assignment or license, as applicable, as directed by Agencies, the Toll Services in process, completed Toll Services, supplies, equipment, any Hardware, Software (other than Pre-Existing Software) and other material produced or acquired for the Toll Services terminated that has not already been provided to Agencies.

24.3.5 On or before the Expiry Date, subject to the provisions of Sections 29.7, 29.8 and 29.9 all TCS Documentation, Plans, manuals, training materials, procedures, programs, operating and financial records and accounts and other such materials used or developed in the performance of the Toll Services shall be delivered to Agencies and shall remain or become the property of Agencies. TSP also shall deliver or make available to Agencies all work product and all intellectual property rights TSP is required to deliver or make available in accordance with this Contract, and all records and archives of TCS Data.

24.3.6 At the request or direction of Agencies, TSP shall assist and cooperate with Agencies in the transitioning to replacement operating personnel of Agencies or any Successor, and shall assist in training and phasing in the services of such replacement operator or personnel. Agencies may make such a request or give such a direction through a Directive Letter or a Change Order. TSP shall implement the approved End of Contract Transition Plan, or if TSP has not already submitted such plan and obtained Agencies' approval, TSP shall diligently cooperate with Agencies upon request in developing the End of Contract Transition Plan, and such plan shall be incorporated into any Change Order concerning transition services. In the event of disagreement over the End of Contract Transition Plan, Agencies may unilaterally adopt and direct performance of an End of Contract Transition Plan as part of the Directive Letter or Change Order. Such End of Contract Transition Plan may include a scope of work and a schedule for training personnel in the architecture, management, operation and maintenance of the TCS, and in the performance of any other Toll Services. TSP shall be available and provide personnel to perform such transition and training services in accordance with the End of Contract Transition Plan for the period set forth in the plan, in any event not to extend beyond 120 Days following the Expiry Date.

24.3.7 Except in the event of termination in accordance with Section 23.3.1 for a TSP Event of Default, as compensation for the performance of the Transition Work necessary to transition operation of a system to a Successor, TSP shall be entitled to payment of the relevant component(s) of the Transition Work Cost specified in Price Sheet J-12 in Exhibit 3.

24.3.8 TCS Agreements

(a) Upon the Expiry Date, TSP shall immediately upon such termination (i) assemble at its offices in the State and make available for Agencies' and/or Agencies' successor(s) toll system provider's review during normal business hours all Subcontracts, contracts with suppliers, licenses and other TCS related agreements and amendments thereto which are then in effect, including warranties (collectively, TCS Agreements); (ii) deliver to Agencies and such successor(s), if any, true and complete originals thereof; (iii) execute and deliver to Agencies or such successor(s), as applicable, a written assignment and assumption agreement with respect to any such TCS Agreement(s) which Agencies or such successor(s) elects to assume; and (iv) terminate, or cause to be terminated, effective on the same date as the effective date of such termination, any such TCS Agreement(s) which neither Agencies nor such successor(s) elects, in their sole discretion, to assume.

(b) Agencies' or such successor(s)'s, as applicable, assumption of any TCS Agreements in accordance with clause (a) shall pertain only to obligations arising from and after the effective date of the termination of this Contract, and TSP shall remain liable for all obligations arising under this Contract prior to such effective date of termination.

SECTION 25 LIMITATION OF TSP'S LIABILITY

25.1 Limitation of TSP's Liability

25.1.1 Limitation of Liability Until TCS Acceptance

To the extent permitted by applicable Governmental Rule, TSP's liability under this Contract to RCTC for damages (including actual, indirect, special, consequential, multiple or punitive damages) (whether arising in contract, negligence or other tort, or any other theory of law) shall not exceed the sum of:

(a) an amount equal to 100% of the Total Capital Cost during the D&D Phase (which amount shall specifically include any Liquidated Damages paid under Sections 11.4.1(a) through 11.4.1(c) and exclude Lane Closure Charges); plus

(b) any amounts paid or payable by TSP which are covered by or should have been covered by insurance proceeds under this Contract; plus

(c) all Losses incurred by any Indemnified Party in connection with any illegal activities, fraud, recklessness, criminal conduct, gross negligence, or intentional misconduct on the part of any TSP-Related Entity in connection with the Toll Services; plus

(d) TSP's indemnification obligations under Section 26 regarding third party suits, actions, proceedings, judgments and claims; plus;

(e) Losses arising out of TSP Release of Hazardous Materials; plus

(f) Lane Closure Charges paid or payable by TSP.

For purposes of clarification, an event, occurrence or action that occurred during the D&D Phase, but which may become known or actionable during the O&M Term, is intended to fall under this Section 25.1.1. In addition, Liquidated Damages are also subject to certain limits in accordance with Section 11.

25.1.2 Limitation of Liability for O&M Term

To the extent permitted by applicable Governmental Rule, TSP's liability under this Contract to Agencies for damages (including actual, indirect, special, consequential, multiple or punitive damages) for the performance of its obligations during the O&M Term (whether arising in contract, negligence or other tort, or any other theory of law) shall not exceed the sum of:

(a) $8,500,000 (which amount shall be escalated annually on the anniversary of this Contract during the O&M Term by the Escalation Factor) (which amount shall specifically include any Liquidated Damages paid under Section 11.4.1(d) and exclude Lane Closure Charges); plus

(b) any amounts paid or payable by TSP which are covered by insurance proceeds; plus

(c) all Losses incurred by any Indemnified Party in connection with any TSP Fault in connection with the Toll Services; plus

(d) TSP's indemnification obligations under Section 26 regarding third party suits, actions, proceedings, judgments and claims; and plus

(e) Losses arising out of TSP Release of Hazardous Materials; plus

(f) Lane Closure Charges paid or payable by TSP.

For purposes of clarification, an event, occurrence or action that occurred during the D&D Phase, but which may become known or actionable during the O&M Term, is intended to fall under Section 25.1.2. In addition, Liquidated Damages are also subject to certain limits in accordance with Section 11.

25.2 Potential Increase in Limitation of TSP's Liability

In the event that ninety-five percent (95%) of the applicable limitation of TSP's liability described in Section 25.1.1(a) or 25.1.2(a) is reached and, accordingly, a default under Section 23.1.16 has occurred, TSP may cure such default if it agrees in writing to increase the amount in Section 25.1.1(a) or 25.1.2(a), as applicable, by an amount no less than twenty-five percent (25%) of the amount in Section 25.1.1(a) or 25.1.2(a), as applicable. TSP's cure, if any, must be implemented within five (5) Business Days after it receives notice of such default from Agencies. If TSP fails to respond during such five (5) Business Day period or elects not to increase the amount in Section 25.1.1(a) or 25.1.2(a), as applicable, has Agencies have all rights under this Contract, including Section 23.3. This Section 25.2 shall apply during any time in which there is a default under Section 23.1.16.

SECTION 26 INDEMNIFICATION

26.1 Indemnifications by TSP. Reference to "Agencies" in this section shall refer to both the Agencies, collectively, and to each individual Agency.

26.1.1 Subject to Section 25 and Section 26.1.2(c), TSP shall release, defend, indemnify and hold harmless the Indemnified Parties from and against any and all Claims and Losses incurred in connection with the following (each an "Indemnified Claim"):

(a) The breach or alleged breach of this Contract by any TSP-Related Entity;

(b) The failure or alleged failure by any TSP-Related Entity to comply with the Governmental Approvals or any applicable Governmental Rules;

(c) Any alleged patent or copyright infringement or other allegedly improper appropriation or use of trade secrets, patents, proprietary information, know-how, copyright rights or inventions in connection with the I-15 Express Lanes Project or the 91 Express lanes Project, this Contract and the Toll Services and/or the system of methods, processes, Software, Hardware, designs, information, or other items furnished or communicated to Agencies or another Indemnified Party in accordance with this Contract provided that if infringement can be avoided by modification to the allegedly infringing article, Agencies agree to allow such modification, at TSP's sole cost and expense, unless the form, fit or function of the allegedly infringing article or the system is, in Agencies' sole determination, adversely affected; and further provided that this indemnity shall not apply to any infringement to the extent directly and solely resulting from (i) Agencies' material failure to comply with a material specific prior written instruction regarding use

provided to Agencies by TSP; (ii) compliance with written specifications prescribed by Agencies with respect to which (1) TSP has complied in full; (2) the reason for the infringement solely and directly arises out of Agencies' specifications, and (3) TSP has notified Agencies in writing in advance of potential infringement and Agencies have directed TSP to proceed and disregard the potential infringement, or (iii) material modifications to the deliverables directed by Agencies and not made by a TSP-Related Entity;

(d) The actual or alleged negligent act, error or omission, illegal activities, bad faith, gross negligence, fraud, recklessness, criminal conduct or intentional misconduct of any TSP Related Entity or any TSP Fault in or associated with performance of the Toll Services and/or this Contract;

(e) Any and all Claims by any governmental or taxing authority claiming taxes based on gross receipts, purchases or sales, the use of any property or income of any TSP-Related Entity or any of their respective agents, officers or employees with respect to any payment for the Toll Services made to or earned by any TSP-Related Entity;

(f) Any and all stop payment notices and/or liens filed in connection with the Toll Services, including all reasonable expenses and attorneys', accountants' and expert witness fees and costs incurred in discharging any stop payment notice or lien and any other liability to Subcontractors for failure to pay sums due for their work or services, provided that Agencies are not in default in payments owing to TSP with respect to the applicable Toll Services;

(g) Any TSP Release of Hazardous Materials;

(h) The claim or assertion by any other contractor, including DB Contractor or any Other Agency Contractor, that any TSP-Related Entity (i) interfered with or hindered the progress or completion of work being performed by such other contractor, so as to cause inconvenience disruption, delay, or loss, except where the TSP-Related Entity was not in any manner engaged in performance of the Work, or (ii) failure of any TSP-Related Entity to cooperate reasonably with other contractors in accordance therewith; and

(i) Subject to Section 25 and Section 26.1.2(c), Errors in the Toll Services regardless of whether such Errors were also included in any RCTC Design Documents or Reference Documents; except that the foregoing indemnity shall not apply to the extent that the Errors were the direct and sole cause of the Claims and Losses and specifically included in Reference Documents and this Contract expressly provides that TSP may rely on such Reference Documents).

26.1.2 The following restrictions apply to the indemnities in Section 26.1.1:

(a) Except as permitted by Civil Code Sections 2782.1, 2782.2 and 2782.5, such indemnities shall not inure to the benefit of an Indemnified Party so as to impose liability on TSP for the active negligence of Agencies, or to relieve Agencies of liability for such active negligence;

(b) In claims by an employee of TSP, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, such indemnities are not limited by a limitation on the amount or type of damages, compensation or benefits payable by or for TSP

or a Subcontractor under workers' compensation, disability benefit or other employee benefits laws; and

(c) Subject to the releases and disclaimers under this Contract, such indemnities shall not extend to any Claim or Losses to the extent that such Claim or Losses was directly caused by the gross negligence, reckless or willful misconduct, bad faith or fraud of an Indemnified Party.

26.2 Defense and Indemnification Procedures

26.2.1 If an Indemnified Party receives notice of a Claim or otherwise has Actual Knowledge of a Claim that it believes is within the scope of the indemnities under Section 26.1.1, the applicable Agency shall by Notice as soon as practicable after receipt of the Indemnified Claim: (a) inform TSP of the Claim, (b) send to TSP a copy of all written materials Agency has received asserting such Claim, and (c) notify TSP that should no insurer accept defense of the Claim, the Indemnified Party will conduct its own defense unless TSP accepts the tender of the Claim in accordance with Section 26.2.4. As soon as practicable after TSP receives Notice of a Claim or otherwise has Actual Knowledge of a Claim, it shall tender the Claim by Notice to the insurers under all potentially applicable insurance policies. The applicable Agency and other Indemnified Parties also may tender such Claims to such insurers.

26.2.2 If the insurer under any applicable insurance policy accepts the tender of defense, the applicable Agency and TSP shall cooperate in the defense as required by the insurance policy. If no insurer under potentially applicable insurance policies provides defense, then Section 26.2.3 shall apply.

26.2.3 If the defense is tendered to TSP, then within thirty (30) days after receipt of the tender, it shall notify the Indemnified Party whether it has tendered the matter to an insurer and (if not tendered to an insurer or if the insurer has rejected the tender) shall deliver a notice stating that TSP:

(a) Accepts the tender of defense and confirms that the Claim is subject to full indemnification under this Contract without any "reservation of rights" to deny or disclaim full indemnification thereafter;

(b) Accepts the tender of defense but with a "reservation of rights" in whole or in part; or

(c) Rejects the tender of defense based on a determination that it is not required to indemnify against the Claim under the terms of this Contract.

26.2.4 If TSP accepts the tender of defense under Section 26.2.3(a) and (b), TSP may select legal counsel for the Indemnified Party, subject to reasonable approval by the Indemnified Party, and TSP shall otherwise control the defense of such Claim including settlement, and bear the fees and costs of defending and settling such Claim; except that the applicable Agency has the right of prior approval of any settlement that relates to or may impact the Toll Services. During such defense:

(a) TSP shall fully and regularly inform the Indemnified Party in writing of the progress of the defense and of any settlement discussions; and

(b) The Indemnified Party shall fully cooperate in said defense, provide to TSP all materials and access to personnel it requests as necessary for defense, preparation and trial and which or who are under the control of or reasonably available to the Indemnified Party, and use reasonable efforts to maintain the confidentiality of all communications between it and TSP concerning such defense.

26.2.5 If TSP responds to the tender of defense as specified in Section 26.2.3(c), the Indemnified Party may select its own legal counsel and otherwise control the defense of such Claim, including settlement.

26.2.6 Notwithstanding TSP's acceptance of a tender of defense under Sections 26.2.3(a) and 26.2.3(b), the Indemnified Party may revocably assume its own defense at any time by delivering to TSP notice of such election and the reasons therefor, if the Indemnified Party, at the time it gives notice of the Claim or at any time thereafter, reasonably determines that:

(a) A conflict exists between the Indemnified Party and TSP which prevents or potentially prevents TSP from presenting a full and effective defense;

(b) TSP is otherwise not providing an effective defense in connection with the Claim; or

(c) TSP lacks the financial capacity to satisfy potential liability or to provide an effective defense.

26.2.7 If the Indemnified Party is entitled to and elects to conduct its own defense pursuant to Section 26.2.6 of a Claim for which it is entitled to indemnification, TSP shall reimburse on a current basis all reasonable costs and expenses the Indemnified Party incurs in investigating and defending. If the Indemnified Party is entitled to and elects to conduct its own defense, then:

(a) In the case of a defense that otherwise would be conducted under Section 26.2.6(a), the Indemnified Party may settle or compromise the Claim with each of TSP' relevant insurer(s)' prior written consent, which in each case shall not be unreasonably withheld or delayed;

(b) In the case of a defense that otherwise would be conducted under Section 26.2.6(b), the Indemnified Party and TSP shall consult each other on a regular basis to determine whether settlement is appropriate and, subject to the rights of any insurer providing coverage for the claim under a policy required under this Contract, and the Indemnified Party may settle or compromise the Claim with TSP's prior written consent without prejudice to the Indemnified Party's rights to be indemnified by TSP; and

(c) In the case of a defense conducted under Section 26.2.6(c), the Indemnified Party shall, subject to the rights of any insurer providing coverage for the Claim under a policy required under this Contract, have the right to settle or compromise the Claim without TSP's prior written consent and without prejudice to its rights to be indemnified by TSP.

26.2.8 A refusal of, or failure to accept, a tender of defense, as well as any Dispute over whether an Indemnified Party which has assumed control of defense is entitled to do so under Section 26.2.6 shall be resolved according to the dispute resolution procedures, but the foregoing shall

not preclude an Indemnified Party from preserving its rights or defending the Claim pending such resolution.

26.2.9 The Parties acknowledge that while Section 26.1 contemplates that TSP will have responsibility for certain Indemnified Claims, circumstances may arise where the Parties may share liability with respect to such Indemnified Claims. In such cases, where either Party believes that an Indemnified Claim or liability may entail shared responsibility and that principles of comparative negligence and indemnity are applicable, it shall confer with the other Party on management of the Claim or Loss in question. If the Parties cannot agree on an approach to representation in the matter in question, each shall arrange to represent itself and to bear its own costs in connection therewith pending the outcome of such matter. Within 30 days subsequent to the final, non-appealable resolution of the matter in question, whether by settlement, arbitration or by judicial proceedings, the Parties shall adjust the costs of defense, including reimbursement of reasonable attorneys' fees and other litigation and defense costs, in accordance with the indemnification arrangements of this Section 26.2, and consistent with the outcome of such proceedings concerning the respective Claims or Losses of the Parties.

26.2.10 In determining responsibilities and obligations for defending Indemnified Claims pursuant to this Section 26.2, specific consideration shall be given to the following factors:

(a) The party performing the activity in question;

(b) The location of the activity and incident;

(c) Contractual arrangements then governing the performance of the activity; and

(d) Allegations of respective fault contained in the Claim.

26.3 Indemnification by Agencies

The Parties acknowledge and agree that:

26.3.1 Agencies may assert that certain third persons or parties may rightfully bear the ultimate legal responsibility for any and all Hazardous Materials which currently present on the Site;

26.3.2 Certain State and federal statutes provide that individuals and firms may be held liable for Claims and Losses related to Hazardous Materials under such doctrines as joint and several liability and/or strict liability;

26.3.3 It is not the intention of the Parties that TSP be exposed to any Claim or Loss in connection with (a) proper Hazardous Materials management activities in connection with preexisting Site contamination, whether known or unknown (except as a result of TSP Release of Hazardous Materials, and/or (b) the activities of any Persons other than any TSP-Related Entity. Accordingly, Each Agency shall, to the extent permitted by applicable Governmental Rule, indemnify, defend and hold TSP harmless from, any and all Third Party Claims, and Losses incurred in connection with the items expressly described in clauses (a) and (b) above, but specifically excluding those conditions for which TSP has agreed to be responsible as described in Section 26.1.1(g) or elsewhere in this Contract. An Agency's obligation to indemnify TSP under this Section applies only to the extent the activities covered herein were performed by or on behalf of that Agency.

26.4 No Effect on Other Rights

The obligations in 26.1 through 26.3 shall not be construed to negate, abridge, or reduce other rights or obligations which would otherwise exist in favor of an Indemnified Party under this Contract.

26.5 CERCLA Agreement

The indemnities in Sections 26.1.1(g) and 26.3.3 are intended to operate as agreements in accordance with Section 9607(e) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)), 42 U.S.C. Section 9607(e), and Health and Safety Code Section 25364, to defend, indemnify and hold harmless the Indemnified Parties.

26.6 Intent of Indemnity for Breach of Agreement

The requirement to provide an indemnity for breach of contract in Section 26.1.1(a) and 26.1.1(g) is intended to provide protection to Agencies with respect to Third Party Claims associated with such breach. It is not intended to provide Agencies with an alternative cause of action for damages incurred directly by Agencies with respect to such breach.

26.7 Design Professionals Indemnity Obligation

With respect to Work performed by a design professional as defined in California Civil Code section 2782.8, the indemnities in this Section 26 shall apply only to the extent permitted by said Section 2782.8.

SECTION 27 DISPUTES

A. All claims and other disputes between TSP and Agencies or, if applicable, only one of Agencies, arising under this Contract, shall be resolved in accordance with this Section, Disputes, except those matters referenced in paragraph F below. All disputes shall be decided in accordance with this Contract and general principles of State law. Questions of fact and law may be considered in this dispute process; providing that nothing in this Contract shall be construed as making the final decision of any OCTA or RCTC official on a question of law. The Parties shall diligently cooperate with one another and with the person(s) appointed to resolve the dispute and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute.

B. Upon commencement of the dispute resolution process, the Parties shall first attempt to resolve the dispute between Agency Project Manager(s) and TSP's Project Manager. The Parties shall meet in good faith within five (5) Business Days after the date that the written request for dispute resolution is submitted and attempt to resolve it. There shall be at least one meeting to attempt Project level resolution. The Project level negotiation may be continued upon the agreement of all Parties. If the Agency''s Project Manager and TSP's Project Manager are able to resolve the dispute, the resolution shall be set forth in writing. If such resolution results in a Change, an Amendment shall be executed pursuant to the Changes provision. If the dispute cannot be resolved at the meeting or any continuance thereof, the following shall apply:

1. For a dispute involving Agencies the dispute shall be submitted to each Agency, using the respective processes identified for OCTA only and RCTC only disputes identified in items 2 and

3 of this paragraph B. Agencies will provide a joint written decision to TSP following completion of this process. A resolution of a dispute involving both Agencies must be Approved by both Agencies.

2. For an OCTA only dispute, the dispute shall be submitted to OCTA's Director of Contracts Administration and Materials Management (CAMM) within ten (10) Business Days of such meeting identified in paragraph B of this Article or continuance thereof. The Parties shall each submit the following written information to the Director of CAMM: (a) an explanation of the nature of the dispute; (b) the Party's position; (c) the dollar amount and/or schedule impact of the dispute; and (d) any supporting documents the Party believes will aid the Director of CAMM in arriving at a decision. The Director of CAMM will issue a written decision within ten (10) Business Days; provided that if no written decision is submitted within that time, or any agreed upon extension thereof, OCTA will have been deemed to have denied TSP's position. The decision of the Director of CAMM shall be the final and conclusive administrative decision of OCTA.

3. For an RCTC only dispute, the dispute shall be submitted to RCTC's Executive Director within ten (10) Business Days, of such meeting identified in paragraph B of this Article or continuance thereof. The Parties shall each submit the following written information to the Executive Director (a) an explanation of the nature of the dispute; (b) the Party's position; (c) the dollar amount and/or schedule impact of the dispute; and (d) any supporting documents the Party believes will aid the Executive Director in arriving at a decision. The Executive Director will issue a written decision within ten (10) Business Days; provided that if no written decision is submitted within that time, or any agreed upon extension thereof, RCTC will have been deemed to have denied TSP's position. The decision of the Executive Director shall be the final and conclusive administrative decision of RCTC.

C. If a dispute arises which must be resolved expeditiously in order to prevent serious damage to revenues, person or property, or serious interference with the Project Schedule, the disputing Parties shall make every effort to resolve such dispute immediately. If such dispute cannot be resolved immediately, OCTA and/or RCTC will issue a Work Directive, in accordance with the Changes provision, and TSP shall expeditiously proceed with the Work Directive. Once the urgent aspects of the dispute have been resolved, the Parties may continue with the remaining procedures for dispute resolution, in accordance with this Article 17, if necessary and to the extent applicable.

D. Nothing in this Contract, however, shall be construed as making final the decision of any OCTA or RCTC official or representative on a question of law, which questions shall be settled in accordance with the laws of the State of California.

E. If all other means of dispute resolution set forth above are not successful, any of the Parties may commence an action using the following jurisdictions: The action will take place in Orange County Superior Court for OCTA-only disputes, Riverside County for RCTC-only disputes, and in the sole determination of Agencies, either Orange County or Riverside County Superior Court for an Agencies' dispute. In lieu of litigation the Parties may upon terms agreed to by the Parties, elect mediation or arbitration, binding or otherwise. TSP shall as a condition precedent to commencing an action in Orange County Superior Court or Riverside County Superior Court for money or damages file a claim pursuant to the Government Claims Act, Government Code sections 900 et seq. For purposes of the claims filing requirement, the running of the time period in which a claim must be filed shall be suspended until OCTA's final

administrative decision by the Director of CAMM and/or or RCTC's Executive Director, as applicable.

F. The dispute resolution procedures set forth in this Article shall not apply to the following:

1. Any matters that the Contract Documents expressly state are final, binding or not subject to dispute resolution;

2. Any claim or dispute that does not arise under the Contract;

3. Disputes regarding compliance with Governmental Rules, liability or indemnification;

4. Any claim for injunctive relief;

5. Any claim against an insurance company, including any Subcontractor dispute that is covered by insurance;

6. Disputes regarding matters under the jurisdiction of Cal-OSHA;

7. Any claim or dispute that is the subject of litigation in a lawsuit filed in court to which the procedures established in this Article do not apply, including any effort to interplead a party into such a lawsuit in order to make the procedures established in this Article applicable;

8. Any claim for, or dispute based on, remedies expressly created by statute;

9. Any dispute that is actionable only against a Surety; and

10. Any claim arising from this Contract to which a third party is a necessary party and has not agreed to participate in the process; provided that the Parties shall nevertheless proceed with resolution of disputes in accordance with this Article to the maximum extent possible.

27.1 Provisional Remedies

No party shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy which may be necessary, and which is not otherwise available under this Section 27, to protect its rights, including temporary and preliminary injunctive relief, attachment, claim and delivery, receivership and any extraordinary writ.

27.2 Continuing Performance

During any dispute resolution proceedings, TSP shall carry on its duties under this Contract, and Agencies shall continue to make undisputed payments in accordance with this Contract.

27.3 Participation in Proceedings; Joinder

TSP agrees that, (a) at Agencies' request, TSP shall take appropriate action to join any third parties and Subcontractors involved in the any part of the Toll Services as parties in dispute

resolution proceedings under this Section 27; and (b) TSP will allow itself to be joined as a participant in any Dispute, arbitration or other proceeding that involves Agencies and any other Person relating to the Toll Services (including under the DB Contract), and agrees to be bound by the procedures and decisions rendered in such proceeding. This provision is for the benefit of RCTC and not for the benefit of any other party.

27.4 Effect on Surety and Guarantor

Decisions made in accordance with this Section 27 which are binding on TSP shall also be binding on the Surety under the Performance Bond and any Guarantor; except that, unless the Surety or Guarantor, as applicable, is a party to such proceedings, such decisions shall not affect any defenses that are special to the Surety or Guarantor, as applicable (i.e. defenses available to the Surety or Guarantor, as applicable, which could not have been asserted by TSP in the underlying proceeding). In the event that the Surety or Guarantor, as applicable, is a party to any proceedings, it may, and must, assert any such special defenses therein or else such defenses are deemed waived.

27.5 Emergency Dispute Resolution

If a Dispute arises that must be resolved expeditiously in order to prevent serious damage to revenues, person or property, or serious interference with a Critical Path, the Parties shall make commercially reasonable efforts to resolve that Dispute quickly. In such case, if TSP's Representative and the Agencies' Representatives cannot reach a resolution of that Dispute within 24 hours, they must refer the Dispute to, as applicable, RCTC's Executive Director and/or OCTA's Chief Executive Officer and TSP's Chief Executive Officer (or other officer with authority to make final decisions subject only to board approval and any required third party approvals) for a meeting between RCTC's Executive Director and/or OCTA's Chief Executive Officer and TSP's Chief Executive Officer to occur within the following 24 hours. Once the urgent aspects of the Dispute have been resolved, the Parties may continue with the remaining procedures for dispute resolution if necessary and to the extent applicable.

27.6 Time Limitation

TSP acknowledges and agrees that Agencies are subject to substantial constraints that have resulted in limitations on their ability to increase the Contract Price or extend a Completion Deadline. TSP acknowledges and agrees that, due to limitations on funding for the Toll Services, prompt resolution of Disputes is of vital importance to Agencies. TSP agrees that the time limitations stated in this Contract for the filing of Claims and/or complaints with the Disputes Review Board are necessary and reasonable. TSP expressly waives any longer statute of limitations contained in any statute, including Government Code sections 900 et seq. that would otherwise be applicable.

27.7 Timely Payment of Undisputed Amounts of Any Claim

In accordance with Pub. Cont. Code § 9204, the applicable Agency shall conduct a reasonable review of any Claim by TSP subject to Pub. Cont. Code § 9204 within 45 days (or, if any determination requires approval from the applicable Agency's governing body, in which case within three days after the next duly publicly noticed meeting of such governing body after such 45 day period) and pay TSP within 60 days thereafter the undisputed portion of any Claim. The

applicable Agency shall provide TSP a written statement identifying what portion of any Claim is disputed and what portion is undisputed, if any. The applicable Agency may request additional evidence from TSP to aid Agency in identifying the disputed and undisputed portions of any Claim. TSP shall provide such evidence promptly thereafter. The applicable Agency will pay within 60 days after receipt of sufficient evidence, in Agency's discretion, further amounts of such Claim that Agency identifies as undisputed. The Parties may, by mutual agreement, extend these time periods. As part of any dispute resolution proceeding in this SECTION 27, TSP bears the burden of identifying the disputed and undisputed portions of the Claim and providing reasonable documentation in support thereof.

SECTION 28 RELATIONSHIP WITH AGENCIES

28.1 Performance as Directed

At all times during the Term, including during the course of any dispute, TSP shall (a) perform the Toll Services as directed by Agencies in a diligent manner and without delay, (b) abide by Agencies' decision, order or direction in accordance with this Contract, and (c) comply with all applicable provisions of this Contract. Subject to Section 1.7, if a dispute arises regarding such performance, order or direction, the dispute shall be resolved in accordance with Section 27.

SECTION 29 DOCUMENTS AND RECORDS, INSPECTION AND TESTING

29.1 Reporting Requirements

29.1.1 TSP shall provide, or cause to be provided to Agencies:

(a) Financial and narrative reports, statements, certifications, budgets and information as and when required in accordance with this Contract;

(b) Such information and statements as Agencies may reasonably request from time to time for any purpose in connection with the Toll Services and this Contract;

(c) The periodic updated financial information required in accordance with Section 16.4, and upon request of Agencies for particular fiscal quarters, copies of all other financial statements and information reported by TSP and the Guarantor to their shareholders generally and of all reports filed by TSP and the Guarantor with the United States Securities Exchange Commission under Sections 13, 14, or 15(d) of the Exchange Act to be provided to Agencies as soon as practicable after furnishing such information to TSP's and the Guarantor's shareholders or filing such reports with the Securities and Exchange Commission, as applicable;

(d) Such information as determined necessary or desirable by Agencies in connection with any I-15 Express Lanes Project or 91 Express Lanes financing, including any TIFIA loan or bonds issued by Agencies. Without limiting the generality of the foregoing, such information deemed necessary or desirable by Agencies for inclusion in Agencies' securities disclosure documents and in order to comply with Securities and Exchange Commission Rule 15c2 12 regarding certain periodic information and notice of material events. TSP shall provide customary representations and warranties to Agencies and the capital markets as to the correctness, completeness and accuracy of any information furnished; and

(e) Any information to assist or facilitate the submission by Agencies of any documentation, reports or analysis required by the State, Department, FHWA and/or any other Governmental Entity with jurisdiction over the Toll Services.

29.1.2 All information delivered by TSP under Sections 29.1.1(d) and 29.1.1(e) shall also be delivered electronically, to the extent electronic files exist, and be suitable for posting on the web.

29.2 Maintenance of, Access to and Audit of Books and Records

29.2.1 TSP shall maintain at the ROC or at its Toll Services administration office in Riverside County, California a complete set of all Books and Records, including copies of all original documents delivered to Agencies and/or the Department. TSP shall keep and maintain such Books and Records in accordance with applicable provisions of this Contract and of the Project Management Plan, and in accordance with Good Industry Practice. TSP shall grant to Agencies and its Representatives and legal counsel, Department, and FHWA such audit rights and allow such Persons such access to and the right to copy such Books and Records as such Persons may request from time to time in connection with the issuance of Change Orders and Contract amendments, the resolution of disputes and claims and such other matters as such Persons reasonably deem necessary for purposes of complying or verifying compliance with this Contracts and applicable Governmental Rule. The inspection and review rights shall be in effect at all times and such review and inspection may occur at any time during normal business hours, or at other reasonable times during the Term, in each case, without charge. Not more than twenty-four (24) hours' prior notice shall be required before an inspection or review and may be unannounced without prior notice where has Agencies have a good faith suspicion of fraud or other criminal activity or material breach of obligations under this Contract. The right of inspection includes the right to make copies and extracts and take notes.

29.2.2 Where the payment method for any Toll Services is on a time and materials basis, unit price basis or relating to Pass-Through Cost Items, such examination and audit rights shall include all Books and Records and other evidence and accounting principles and practices sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of such Toll Services. If an audit indicates TSP has been overcredited under a previous progress report or progress payment, that overcredit will, at the applicable Agency's sole option, be credited against current progress reports or payments or reimbursed to Agency by TSP upon demand therefor.

29.2.3 For cost and pricing data submitted in connection with pricing Change Orders or Contract amendments, unless such pricing is based on adequate price competition (as determined by the applicable Agency, in its sole discretion), established catalog or market prices of commercial items sold in substantial quantities to the public, or prices set by Governmental Rule, such Persons and their representatives have the right to examine all books, records, documents and other data of TSP related to the negotiation of or performance of Toll Services under such Change Orders and Contract amendments for the purpose of evaluating the accuracy, completeness and currency of the cost or pricing data submitted. The right of examination shall extend to all documents deemed necessary by such Persons to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

29.2.4 Agencies may review and audit TSP, its Subcontractors and their respective Books and Records as and when Agencies deem necessary for purposes of verifying compliance with this

Contract, the Governmental Approvals and applicable Governmental Rule. Without limiting the foregoing, Agencies may audit TSP's Project Management Plan and compliance therewith, including the right to inspect Toll Services and/or activities and to verify the accuracy and adequacy of the Toll Services Management Plan and its component parts, plans and other documentation. Agencies may conduct any such audit of Books and Records upon 24 hours' prior written notice, or unannounced and without prior notice where there is good faith suspicion of fraud or other criminal activity or breach of obligations under this Contract.

29.2.5 All Claims or Disputes filed against Agencies shall be subject to audit at any time following the filing of the Claim or Dispute. The audit may be performed by employees of the applicable Agency or by an auditor under contract with Agency. No notice is required before commencing any audit before 90 days after the TCS Acceptance Deadline. Thereafter, the applicable Agency shall provide ten (10) Business Days' notice to TSP, any Subcontractors or their respective agents before commencing an audit. TSP, Subcontractors or their agents shall provide adequate facilities, acceptable to Agency, for the audit during normal business hours. TSP, Subcontractors and their agents shall cooperate with the auditors. Failure of TSP, Subcontractors and their agents to maintain and retain sufficient records to allow the auditors to verify all or a portion of the Claim or Dispute or to permit the auditor access to the Books and Records of TSP, Subcontractors and their agents shall constitute a waiver of the Claim or Dispute and shall bar any recovery thereunder.

29.2.6 Full compliance by TSP with the provisions of this Section 29.3 is a contractual condition precedent to TSP's right to seek relief under Section 27.

29.2.7 Any rights of FHWA to review and audit TSP, its Subcontractors and their respective books and records are specified in Exhibit 5.

29.2.8 TSP represents and warrants the completeness and accuracy of all information it or its agents provide in connection with the audits identified under this Contract, and shall cause all Subcontractors to warrant the completeness and accuracy of all information such Subcontractors or their agents provide in connection with this Section 29.3.

29.2.9 TSP's internal and third party quality and compliance auditing responsibilities shall be specified in the Quality Management Plan, consistent with the audit requirements in TP Section 2.4.

29.2.10 TSP shall collect and preserve each of the following types of data in written form contemporaneously during TSP's performance of the Toll Services, all of which shall be in form approved by Agencies and in conformance with the requirements of the Department Cooperative Agreement, and index filed in accordance with Section 5-102 "Organization of Project Documents" of the Department Construction Manual:

(a) Monthly report of labor by classification of management, supervision, engineering and other technical personnel used on the job;

(b) Daily labor and equipment reports from TSP and each Subcontractor for construction related activities;

(c) Quality Control documentation as required by TP Section 2.4;

(d) A daily occurrence log (in the form of a bound book with entries in ink) for construction related activities which shall be maintained by TSP's Representative or his designee(s), in which shall be recorded daily in a narrative form all significant occurrences relating to the Toll Services, including permit problems, unusual weather, asserted Force Majeure Events, events and conditions causing or threatening to cause delay or disruption or interference with the progress of any of the Work, known injuries to person or property, a listing of each activity depicted on the Project Schedule which is being actively prosecuted; notifications given and received, and significant Toll Services related meetings; and

(e) A daily record recording all labor, materials and equipment expenses which are being incurred by reason of any event, condition or circumstance which TSP believes is or may become the subject of a Claim against Agencies. Any initialed or signed concurrence by the Toll Services and TSP Representative (or designees) will be for purposes of verifying physical labor, material and equipment count rather than validating TSP's Claims.

29.2.11 To the extent requested by Agencies, TSP shall provide Agencies, their consultants and auditors with access to all Books and Records (provided, however, that the provision of such information shall not constitute a TSP Change Request).

29.2.12 At a minimum, Agencies, their consultants and auditors shall have available to them the following books, records, documents, data and other evidence:

(i) With respect to proposed Change Orders and Directive Letters, all pricing and bid documents;

(ii) With respect to Change Orders that are priced by unit price, all information utilized by TSP to develop and determine the unit price, if not already part of the Price Sheets, and all information which Agencies determine necessary or useful to evaluate the accuracy of TSP's designation of quantities;

(iii) With respect to Change Orders that are priced at Cost plus fee and with respect to any other Work which is performed by TSP at Cost outside of the fixed price, all information which Agencies determine necessary or useful to evaluate the accuracy, completeness and currency of the Cost or pricing data submitted, the accuracy of TSP's designation of time and material quantities and the eligibility of such quantities as Costs;

(iv) All other information which Agencies deem necessary or useful to evaluate compliance with the terms and conditions of this Contract, or to determine that payments have not exceeded the fixed price or other applicable fixed price or lump sum amount. Where the payment method for any Work is by the fixed price or other applicable lump sum amount, no examination or audit rights shall extend to actual costs or expenditures incurred by TSP after the Parties have agreed upon such price or amount;

(v) All documents that relate to each and every claim together with all documents that support the amount of damages as to each claim; and

(vi) Work sheets used to prepare the claim establishing the cost components for items of the claim including labor, benefits and insurance, materials, equipment,

Subcontractors, all documents that establish the time periods, individuals involved, the hours for the individuals, and the rates for the individuals.

Until the expiration or earlier termination of this Contract, TSP shall provide documents, reports and information in addition to that specifically required in this Contract that may be reasonably requested by the Joint Board from time to time, provided such additional information involves no material additional cost to TSP.

29.2.13 TSP shall ensure that each Subcontract shall provide for the same audit rights by Agencies and the State Auditor in connection with such Subcontract as they have under this Section 29.3.

29.3 Retention of Records

29.3.1 TSP shall maintain all Books and Records, including copies of all original documents delivered to Agencies, in Riverside County, California until five years after the Expiry Date. TSP shall notify Agencies where such Books and Records are kept. Notwithstanding the foregoing, all records which relate to Claims being processed or Disputes brought under the dispute resolution provisions of this Contract shall be retained and made available until such Disputes and Claims have been finally resolved. Records to be retained include all books, electronic information, files and other evidence bearing on TSP's costs under this Contract. TSP shall make these records and documents available for audit and inspection to Agencies, their consultants and auditors, at TSP's offices in Riverside County, California, at all reasonable times, without charge, and shall allow Agencies to make copies of such documents (at no expense to TSP). If approved by Agencies, photographs, microphotographs or other authentic reproductions may be maintained instead of original records and documents.

29.4 Inspection and Testing of Toll Services and Site

29.4.1 TSP shall, at all times, permit Agencies and Agencies' designated personnel to have safe, free and unrestricted access to the Site for monitoring, inspection, testing, observation, traffic management and other purposes.

29.4.2 Agencies shall perform their inspections and reviews of the Toll Services and Site in compliance with TSP's reasonable safety and security procedures, and in a manner intended to reasonably minimize interference with the Toll Services.

29.4.3 If this Contract or any Governmental Rule requires any portion of the Toll Services or Site to be inspected, tested or approved, except as provided in this Section 29.5.3 with respect to inspections or tests performed more than 90 miles from the Site, TSP shall give Agencies the advance notice specified for such inspection, test or approval in this Contract, and at least 14 days advance Notice to Agencies of all other inspections or tests to be performed within 90 miles of the Site for which no particular notice period is specified, so Agencies may observe such inspection, testing or approval.

29.4.4 TSP shall give Agencies at least 30 days advance Notice of inspections, tests or approvals to be performed at a greater distance than 90 miles from the Site, unless a longer period of advance Notice is specified in the Contract for any particular test. Where the inspection, test or approval does not meet the requirements of this Contract or Governmental Rule, TSP shall be

required to provide further Notice to Agencies and re-perform the inspection, test or approval in accordance with this Contract as if it were the original inspection, test or approval.

29.4.5 TSP shall bear all of its costs of such inspections, tests, approvals and any repetition of any of the foregoing unless otherwise provided in this Contract.

29.5 Public Records Act

29.5.1 TSP acknowledges and agrees that all records, documents, drawings, plans, specifications and other materials in an Agency's possession, including materials submitted by TSP to Agencies , are subject to the provisions of the California Public Records Act (Government Code sections 6250 et seq.) (Public Records Act). If TSP believes information or materials submitted to Agencies constitute trade secrets, proprietary information or other information that is not subject to or excepted from disclosure under the Public Records Act, TSP shall be solely responsible for specifically and conspicuously designating that information by placing "CONFIDENTIAL" in the center header of each such document or page affected, as it determines to be appropriate. Any specific proprietary information, trade secret or other basis for exemption shall be clearly identified as such, and shall be accompanied by a concise statement of reasons supporting the claim including the specific Governmental Rule that exempts the material from disclosure under the Public Records Act. Nothing contained in this Section 29.6 shall modify or amend requirements and obligations imposed on Agencies by the Public Records Act or other applicable Governmental Rule, and the provisions of the Public Records Act or other Governmental Rules shall control in the event of a conflict between the procedures described above and the applicable Governmental Rule. TSP is advised to contact legal counsel concerning such Governmental Rule and its application to TSP.

29.5.2 If an Agency receives a request for public disclosure of materials marked "CONFIDENTIAL," the Agency will use reasonable efforts to notify TSP of the request and give TSP an opportunity to seek appropriate legal relief to protect its confidential materials at its sole expense. Under no circumstances, however, will an Agency be responsible or liable to TSP or any other Person for the disclosure of any such labeled materials, whether the disclosure is required by Governmental Rule, or court order, or occurs through inadvertence, mistake or negligence on the part of Agency or Agency Parties.

29.5.3 In the event of any proceeding or litigation concerning the disclosure of any material submitted by TSP to Agencies, the applicable Agency's sole involvement will be as a stakeholder retaining the material until otherwise ordered by a court or such other authority having jurisdiction with respect to the material, and TSP shall be fully responsible for otherwise prosecuting or defending any action concerning the materials at its sole cost and risk; provided, however, that the applicable Agency may intervene or participate in the litigation in such manner as it deems necessary or desirable. TSP shall pay and reimburse the applicable Agency within 30 days after receipt of written demand and reasonable supporting documentation for all costs and fees, including attorneys' fees and costs, Agency incurs in connection with any litigation, proceeding or request for disclosure.

29.6 Developed Intellectual Property

29.6.1 As between Agencies and TSP, and subject to Sections 29.8 and 29.9, all Intellectual Property created, authored, invented or collected under the terms of this Contract and produced

or provided by TSP, alone or in combination with Agencies and/or their employees, under this Contract (Developed Intellectual Property) shall be the property of Agencies.

29.6.2 TSP acknowledges and agrees that all Developed Intellectual Property, in any medium, is specially ordered or commissioned by the Agencies, including works made for hire in accordance with Section 101 of the Copyright Act of the United States, whether or not such Intellectual Property is incorporated into the Project Intellectual Property. TSP hereby assigns to the Agencies all rights, title and interest in and to the Developed Intellectual Property including any and all Software, work product and designs.

29.6.3 Except as otherwise provided in Sections 29.8 and 29.9, upon preparation or receipt of Developed Intellectual Property by TSP, Agencies (or their designees) shall receive ownership of the Developed Intellectual Property. Agencies shall own the copyrights in any Software that is Developed Intellectual Property (including both object code and Software Source Code) produced or provided by TSP, alone or in combination with Agencies and/or their employees, under this Contract (Custom Software), and Agencies grant TSP a worldwide, fully paid-up, nonexclusive, royalty-free license to the Custom Software and the other Developed Intellectual Property. TSP grants Agencies any permissions or licenses in accordance with copyright or other intellectual property laws to effectuate transfer of ownership in such Custom Software and Developed Intellectual Property.

29.6.4 TSP acknowledges and agrees that all TCS Documentation shall be owned by Agencies, regardless of location or possession of such TCS Documentation, including without limitation Software Source Code and related documentation and work product, in any medium.

29.6.5 Agencies may use, reproduce and make derivative works from Developed Intellectual Property (including licensed Software) or TCS Documentation in connection with the I-15 Express Lanes Project, the 91 Express Lanes project or design of future projects owned or operated by RCTC in Riverside County or OCTA in Orange County. TSP grants Agencies any permissions or licenses in accordance with copyright or other intellectual property laws to effectuate this grant of permission. Agencies similarly may distribute or make the Developed Intellectual Property (including licensed Software) available to third parties who will or may provide services to RCTC and its respective agents in connection with the I-15 Express Lanes Projects, to Agencies and their respective agents in connection with the 91 Express Lanes Project or future projects owned or operated by RCTC in Riverside County or OCTA in Orange County, subject to the execution of a Non-Disclosure and Confidentiality Agreement by such third party substantially in the form of Exhibit 21. Agencies' and their respective agents' use of the Developed Intellectual Property either by themselves or by distribution to third parties without TSP's involvement or on other projects is at Agencies' and their respective agents' sole risk.

29.6.6 Subject to any requirements in this Contract for TSP's delivery of specific documents, not less frequently than monthly, TSP shall provide Agencies with a detailed written list of all design-related, construction-related and installation-related TCS Documentation prepared or received by TSP, and TSP shall furnish Agencies with copies of any such TCS Documentation immediately upon Agencies' written request. TSP shall maintain all other documents described in this Section 29.7 and shall deliver copies to Agencies as required by this Contract or upon request if not otherwise required to be delivered, with an indexed set delivered to Agencies as a condition to TCS Acceptance. For the avoidance of doubt, such TCS Documentation shall exclude source code that is deposited in Source Code Escrow pursuant to Section 29.12.

29.6.7 TSP shall deliver the Software and the Custom Software Source Code to Agencies on an ongoing basis with each request for payment for a Payment Milestone. TSP shall deliver to Agencies, Software and Custom Software Source Code and updates developed as part of the O&M Work, (x) when required in connection with an O&M Payment request, or (y) at such time as the Software and updates are implemented. TSP shall cause the Software Supplier to keep the Software Source Code up-to date by delivering to RCTC at each Payment Milestone during the D&D Phase all enhancements and modifications developed, completed or implemented since the immediately preceding Payment Milestone, and by delivering to Agencies all enhancements and modifications developed, completed or implemented during the O&M Term as such enhancements and modifications are developed, completed or implemented.

29.7 Pre-Existing Software

29.7.1 Notwithstanding anything to the contrary in Section 29.7, the Software used in the Toll Services may include TSP's Pre-Existing Software. To the extent that TSP's PreExisting Software is included in the Software, TSP grants Agencies (as an exception to the transfer and assignment provided in Section 29.7), an irrevocable, perpetual, transferable, permanent, nonexclusive, world-wide, fully paid-up and royalty-free right and license to use, exploit, manufacture, adapt, execute, reproduce, display, perform, and distribute internally copies of, and prepare derivative works based upon, the Pre-Existing Software, the TCS design and technology and/or any other TCS idea, concept or deliverable (Pre-Existing Works License). Agencies may only use the Pre-Existing Works License as needed to manage, operate and maintain the TCS and carry out the Toll Services in connection with the I-15 Express Lanes Project or 91 Express Lanes and at any other future toll facility owned or operated by RCTC in Riverside County and OCTA in Orange County in which such Software, TCS design and technology and any other TCS idea, concept and deliverables are used in accordance with this Contract (whether by Agencies or any third party).

29.7.2 TSP shall identify and disclose all Pre-Existing Software contained, or included in the Project Intellectual Property including (when reasonably available): full and specific information detailing Intellectual Property claimed, date of authorship, creation and/or invention, date of application(s), application number(s) and registering entity(ies), date of registration(s), registration number(s) and registering entity(ies), if any, and owner including person or entity name and address. Subject to the TCS Documentation deposit requirements of Section 29.7, TSP shall not be required to identify or disclose Pre-Existing Software only to the extent that doing so would eliminate or substantially limit the legal protections for such Intellectual Property.

29.7.3 Agencies may assign or grant any rights necessary to TSP's Pre-Existing Software in accordance with this Contract, subject to the execution of a Non-Disclosure and Confidentiality Agreement by such third party substantially in the form of Exhibit 21 and provided such grant or assignment are limited to the purposes set out in Section 29.8.1.

29.7.4 The Pre-Existing Works License shall survive the expiration or termination of this Contract. All rights to TSP's Pre-Existing Software not granted under this Section 29.8 are reserved to TSP.

29.8 Third Party Intellectual Property

29.8.1 TSP shall secure perpetual, nonexclusive, transferable, irrevocable, unconditional, royalty-free license(s) in the name of the Agencies to use, exploit, manufacture, distribute,

reproduce, adapt and display the Third Party Intellectual Property in connection with the I-15 Express Lanes Projects or 91 Express Lanes or future projects owned or operated by RCTC in Riverside County or OCTA in Orange County, and shall pay any and all royalties and license fees required to be paid for any Intellectual Property incorporated into the Project Intellectual Property. In no event shall TSP incorporate Third Party Intellectual Property into the I-15 Express Lanes Project and 91 Express Lanes without first securing such licenses.

29.8.2 Subject to Section 29.10, TSP shall use reasonable efforts to:

(a) Obtain the RCTC's prior written approval of the terms and conditions of Third Party Intellectual Property licenses;

(b) Identify and disclose to the RCTC all Third Party Intellectual Property contained, or included, in the Project Intellectual Property, including (when reasonably available): full and specific information detailing Intellectual Property claimed; date of authorship, creation and/or invention; date of application(s); application number(s) and registering entity(ies); date of registration(s), registration number(s) and registering entity(ies), if any, and owner, including person or entity name and address; and

(c) Obtain from each owner of the Third Party Intellectual Property consent to have the relevant Third Party Intellectual Property deposited into the Source Code Escrow in accordance with Section 29.12, provided that no Third Party Intellectual Property shall be incorporated into the Toll Services without the RCTC's prior written approval to the extent the owner of the relevant Third Party Intellectual Property has not provided such consent.

(d) For any Third Party Intellectual Property acquired following the Effective Date of this Contract, the provisions above shall apply to both Agencies.

29.9 Commercial Off-the-Shelf Software

29.9.1 Agencies' interests in and obligations with respect to any COTS Software incorporated into the Toll Services or TCS shall be determined in accordance with the standard license terms applicable to such Software and TSP shall not be subject to the requirements of Section 29.7.4 and Section 29.12 regarding the delivery of Software Source Code or deposit into the Source Code Escrow.

29.9.2 TSP shall be solely responsible for all costs associated with such items and in no event shall TSP change the terms of such agreements without Agencies' written approval.

29.10 Payments Inclusive

TSP acknowledges and agrees that the payments include all royalties, fees, costs and expenses arising from or related to the Project Intellectual Property.

29.11 Source Code Escrow

29.11.1 Agencies and TSP acknowledge that TSP and/or TSP's Software suppliers may not wish to disclose directly to Agencies the Software Source Code for the Pre-Existing Software (not for Software owned by Agencies in accordance with Section 29.7), but that Agencies must

be assured access to such Software Source Code in certain circumstances to permit it to realize the benefits contemplated by this Contract.

29.11.2 As a condition to payment of invoices for Payment Milestones and TCS Acceptance, and as a condition to payment of monthly installments of the Total O&M Cost, TSP shall place all the Software Source Code for Pre-Existing Software owned by TSP, licensed to or by TSP or with respect to which TSP has a right to use in connection with the Toll Services in an escrow (the Source Code Escrow) with an escrow company designated by TSP and approved by RCTC in its reasonable discretion (Code Escrow Agent) engaged in the business of receiving and maintaining escrows of Software Source Code, related documentation, and other technology. For any Code Escrow Agent selected after the Effective Date of this Contract, said agent must be approved by both Agencies.

29.11.3 With regard to updates and upgrades to the Pre-Existing Software developed as part of the O&M Work and as part of TSP's work during the Software Maintenance Option Period, TSP shall disclose to Agencies and deliver to the Source Code Escrow as updates to the Software are implemented.

29.11.4 TSP shall identify any Pre-Existing Software updates and upgrades completed during the invoiced period, and shall include the Code Escrow Agent's confirmation that such Software and updates have been verified and deposited in the Source Code Escrow in each of its monthly invoices for payment of the Total Capital Cost and Total O&M Cost.

29.11.5 TSP shall cause all Software suppliers to keep the Software Source Code up-todate by depositing all enhancements and modifications into the Source Code Escrow during the term of its existence as such enhancements and modifications are developed, completed or implemented.

29.12 TCS Software

All TCS Software furnished as part of the Toll Services during the Term shall be suitable for its intended purpose and free from programming errors affecting performance and from Nonconformances in workmanship and materials and shall operate in conformity with the performance capabilities, specifications, functions and other applicable descriptions and standards specified in this Contract, and such Software shall conform to the standards generally observed in the industry for similar Software. All TCS Software shall be compatible with the TCS equipment. TSP expressly disclaims any and all warranties in connection with any derivative works or software modifications created by Agencies or any of their agents to the extent authorized in this Contract. THE SOFTWARE WARRANTIES SET FORTH IN THIS SECTION 29.13 ARE EXCLUSIVE AND ARE IN LIEU OF ANY IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

29.13 Infringement

If any service or product provided by TSP under this Contract is held to constitute an infringement of the patent rights or copyrights or other intellectual property rights of a third party and its use is enjoined, TSP shall promptly:

(a) Secure for Agencies, their representatives, agents, and designees the right to continue using the infringing item by suspension or removal of the injunction, or by procuring a perpetual, non-revocable, paid-up, royalty-free, assignable, non-exclusive license(s) to reproduce, publish, or otherwise use for Agencies' direct purposes;

(b) Replace the infringing item with a non-infringing substitute that meets or exceeds the requirements of this Contract; or

(c) Modify the infringing item so that it becomes non-infringing provided the resulting service or product meets or exceeds the requirements of this Contract.

If the amount of time necessary to proceed with one of these options is deemed excessive by Agencies, Agencies may direct TSP to select another option or alternatively TSP's failure may be considered an event of default.

SECTION 30 AGENCY SUBMITTAL PROCESS

30.1 Submittal Process

30.1.1 All documents, reports, tests, requests, determinations and consents required by this Contract to be submitted to Agencies for review, comment, approval and disapproval shall be subject to the applicable processes and provisions in this Section 30.1 (collectively, the Submittal Process).

30.1.2 TSP shall deliver the applicable document or request to the Applicable Agency with Notice stating that the document, request, determination or consent, as applicable, is subject to the Submittal Process.

30.1.3 The Applicable Agency Agencies has 20 Business Days after receipt of such submission or such other time period as Agency and TSP may agree, to issue written comments, proposed changes, approval, conditional approval, determination and/or disapproval of the submission (together Agency's Comments), provided, however, that such period shall be subject to extension at the election of the Applicable Agency if TSP delivers an unreasonable number of submissions for concurrent Agency's review.

30.1.4 If any provision of this Contract expressly provides a longer or shorter period for Agencies to act than as set forth in Section 30.1.3, such period shall control over the foregoing time period. If the time period for Agencies and/or Department to act should end on a day when Agencies or Department, as applicable, is closed or when, as to Department, Department employees are on furlough, the time period shall automatically be extended to the next day when both Agencies and Department are open or when, as to Department, such employees are no longer on furlough.

30.1.5 If the Applicable Agency's Comments are provided within such 20 Business Day period, TSP shall reflect the Agency's Comments in a revised draft of the submission (if such submission is a document, report or test), and shall deliver to Agency such revised draft within the earlier of the date in the Project Schedule, or 20 Business Days following TSP's receipt of Agency's Comments. If the submission is a request, determination or consent, Agency's denial or disapproval shall not be subject to a further submission but may be subject to dispute resolution as to whether Agency acted reasonably (if the standard for Agency's approval or consent rights

was reasonable discretion) or in good faith (if the standard for Agency'sapproval or consent rights was good faith discretion).

30.1.6 The Applicable Agency has ten (10) Business Days to issue further Agency Comments on each revised submission, provided that if Agency's Comments include any item that (i) reasonably could have been but was not raised or included in Agency's initial response, (ii) does not concern determining whether TSP adequately addressed Agency's Comments included in Agency'sinitial response and (iii) is not based on a failure of the revised draft to satisfy a standard or requirement set forth in this Contract, then such action by Agency shall be deemed to constitute an -Agency-Caused Delay. A comment will not be considered something that could have been raised or included in Agency's initial response if, among other things, TSP has materially changed all or any portion of the design, approach, Equipment, Hardware, Software or other element or component that was included in the initial submission or if the initial submission was at a conceptual or preliminary level of development, as reasonably determined by the Applicable Agency.

30.1.7 If the Applicable Agency's Comments are provided within such ten (10) Business Day period, TSP shall make further changes or revisions to reflect the Agency's Comments and submit the document to Agency, and the foregoing process shall continue in like fashion until either Agency issues written approval or the Parties submit any dispute to dispute resolution in accordance with Section 27.

30.1.8 The time periods for the Applicable Agency's Comments in this Section 30.1 shall be extended by the period of any delay due to an Excusable Delay.

30.1.9 Whenever an Applicable Agency is entitled to affirmatively approve a Submittal or other matter under this Contract, and the Applicable Agency delivers no approval, disapproval, consent, denial, determination, decision or other action within the applicable time period under this Section 30.1, then TSP may deliver to the Applicable Agency a Notice stating the date within which Agency was to have decided or acted and that if Agency does not decide or act within five (5) Business Days after receipt of TSP's notice, delay from and after such five (5) Business Day period may constitute an Agency-Caused Delay (for Agency's failure to decide or act) for which TSP may be entitled to relief under Section 20.10.

30.2 Role of FHWA and Department

TSP acknowledges and agrees that FHWA and Department may have approval rights with respect to the Toll Services (including rights to approve the TCS Documentation and Change Orders), as well as the right to provide oversight and technical services with respect to the Toll Services.

30.3 Role of PCM

30.3.1 RCTC's PCM is responsible for oversight of all Work on RCTC's behalf. PCM shall coordinate comments from RCTC to TSP with respect to the Work, and shall be the primary liaison between RCTC and TSP.

30.3.2 Further, RCTC may retain other consultants to provide services to RCTC relating to the Toll Services. TSP shall fully cooperate with PCM and RCTC's other consultants in the exercise of their respective duties and responsibilities in connection with the Project.

30.3.3 The PCM is not authorized to:

(a) Direct or suspend the performance of the Work, unless continued performance of Work will endanger the health, welfare, or safety of the public or any Project worker, or will damage or endanger environmentally sensitive areas;

(b) Approve Deviations from Contract requirements;

(c) Approve performance by TSP of extra Work or changed Work;

(d) Waive any Contract requirements or provisions;

(e) Issue Directive Letters; or

(f) Approve Change Orders or Contract amendments.

30.4 DB Contractor

If requested by RCTC, TSP shall (a) review and comment on submissions DB Contractor makes to RCTC as part of the DB Work or inspect work performed by the DB Contractor, and (b) provide written comments to RCTC, in the form requested by RCTC, no later than two Business Days before RCTC is required to respond to the applicable submission or inspect under DB Contract, or if the DB Contractor provides no applicable response time, ten Business Days after RCTC makes the request.

SECTION 31 MISCELLANEOUS PROVISIONS

31.1 Amendments

Except to the extent expressly provided otherwise in this Contract, this Contract may be amended only by a written instrument duly executed by the Parties.

31.2 Taxes

TSP shall pay, prior to delinquency, all applicable taxes, including its own income taxes, sales and use taxes. TSP accepts sole responsibility, and agrees that it has no right to a Change Order or to any other Claim, due to its misinterpretation of Governmental Rules respecting taxes or incorrect assumptions regarding applicability of taxes.

31.3 Waiver

31.3.1 No waiver of any term, covenant or condition of this Contract shall be valid unless in writing and signed by the obligee Party.

31.3.2 The exercise by a Party of any right provided under this Contract shall not waive or preclude any other or further exercise thereof or the exercise of any other right. No waiver by any

Party of any right under this Contract shall be deemed to be a waiver of any other or subsequent right under this Contract. The consent by one Party to any act by the other Party requiring such consent shall not create a course of conduct or be deemed to render unnecessary the obtaining of consent to any subsequent act for which consent is required, regardless of whether similar to the act for which consent is given.

31.3.3 Either Party's waiver of any breach or failure to enforce any of the terms, covenants, conditions or other provisions of this Contract at any time shall not in any way create a course of conduct or limit or waive that Party's right thereafter to enforce or compel strict compliance with every term, covenant, condition or other provision, any course of dealing or custom of the trade notwithstanding. Furthermore, if the Parties make and implement any interpretation of this Contract without documenting such interpretation by an instrument in writing signed by both Parties, such interpretation and implementation thereof will not be binding in the event of any future Disputes.

31.4 Independent Contractor

31.4.1 TSP is an independent contractor, and nothing contained in this Contract shall be construed as constituting any relationship with Agencies other than that of independent contractor.

31.4.2 Both Parties, in the performance of this Contract, shall act in an individual capacity and not as agents, employees, partners, joint venturers or associates of one another. Nothing in this Contract is intended or shall be construed to create any partnership, joint venture or similar relationship between Agencies and TSP; and in no event shall either Party take a position in any tax return or other writing of any kind that a partnership, joint venture or similar relationship exists.

31.4.3 In no event shall the relationship between Agencies and TSP be construed as creating any relationship whatsoever between Agencies and TSP's employees or agents. Neither TSP nor any of the employees or agents of any TSP-Related Entity is or shall be deemed to be an employee or agent of Agencies. Except as otherwise specified in this Contract, TSP has sole authority and responsibility to employ, discharge and otherwise control its employees and has complete and sole responsibility as a principal for its agents, for all Subcontractors and for all other Persons that TSP or any Subcontractor hires to perform or assist in performing the Toll Services.

31.4.4 TSP shall defend, indemnify, and hold harmless Agencies (collectively or individually as may be applicable) with respect to any claims, causes of action, suits, judgements, liabilities, or legal or administration proceeding (collectively, "Claims") which arise out of (i) any assertion, whether by TSP, any of its employees or Subcontractors, any public employee retirement system, or any local, state or federal agency, that TSP, any of the TSP-Related Entities, or their respective Subcontractors or employees are in an employer-employee relationship with Agencies and thus, entitled to any compensation or benefits provided by Agencies to their own employees, including, but not limited to, benefits provided by Agencies under applicable Workers' Compensation laws, public employee retirement laws, Family Medical Leave Act, vacation, sick leave, etc.; (ii) any employment claims related to wages, hours, or employment terms and conditions raised or brought by any personnel TSP has engaged to perform Work under this Contract; or (iii) failure of TSP, TSP-Related Entities, or any of their employees or Subcontractors, to abide by applicable state and federal employment laws including, but not limited to, anti-

harassment and anti-discrimination obligations. In addition to any other remedies they may have, Agencies shall have the right to offset against the amount of any payments due to TSP under this Contract any costs or liabilities Agencies have incurred or will be reasonably expected to incur, due to TSP's failure to defend, indemnify and hold harmless Agencies as required in this paragraph.

31.5 Successors and Assigns

This Contract shall be binding upon and inure to the benefit of Agencies and TSP and their permitted successors, assigns and legal representatives.

31.5.1 Agencies may assign all or part of their right, title and interest in and to any Contract Document, including rights with respect to the Payment Bonds, Performance Bonds and the Guaranty, to any other Person.

31.5.2 TSP may not, without the prior written consent of Agencies, in their sole discretion, voluntarily or involuntarily assign, convey, transfer, pledge, mortgage or otherwise encumber its rights or interests under this Contract. No partner, joint venturer, member or shareholder of TSP may directly or indirectly assign, convey, transfer, pledge, mortgage or otherwise encumber its ownership interest in TSP without the prior written consent of Agencies, in Agencies' sole discretion.

31.5.3 TSP shall cooperate with Agencies and all representatives of Agencies designated as described above.

31.6 Gratuities and Conflicts of Interest

31.6.1 TSP shall not permit any officer, official or employee of either Agency to have any financial interest in the Contract prohibited by Sections 1090 et seq. and 87100 et seq. of the Government Code. In addition, TSP or its employees shall not enter into any contract involving services or property with a Person or business prohibited from transacting such business with either Agency, pursuant to Sections 1090 et seq. and 87100 et seq. of the Government Code. Except to the extent explicitly disclosed in TSP's Proposal, TSP affirms that no Agency officer, official or employee has any interest (whether contractual, non-contractual, financial, or otherwise) in this transaction or in the business of TSP. If any such interest becomes known to TSP at any time, TSP shall submit a full and complete written disclosure of such information to RCTC, even if such interest would not be considered a conflict under Sections 1090 et seq. and 87100 et seq. of the Government Code.

31.6.2 Neither TSP nor any of its employees, agents and representatives shall offer or give to an officer, official or employee of either Agency or Department gifts, entertainment, payments, loans or gratuities. Agencies may, by written notice to TSP, terminate the right of TSP to proceed under the Contract if it is found that gratuities (in the form of gifts, entertainment, or otherwise) were offered or given by TSP, or any agent of TSP, to any member of either Agency's 's Board of Directors or any officer, agent and/or employee of either Agency or Department.

31.6.3 Employment (whether as an employee, consultant, or independent contractor) of personnel on RCTC's payroll by any DB-Related Entity is not permitted in the performance of the Contract, even though such employment may be outside RCTC's employee's regular working

hours or on Saturdays, Sundays, holidays or vacation time; further, employment by any DB-Related Entity of personnel who have been on RCTC's payroll within one year prior to the date of Contract award is also prohibited, if such employment is caused by and/or dependent upon TSP securing this or a related Contract with RCTC.

31.6.4 The rights of either Agency specified in this Section 31.6 are not exclusive and are in addition to any other rights allowed under Governmental Rule.

31.7 Survival

TSP's representations and warranties, the dispute resolution provisions contained in Section 27, the warranties contained in Section 12, the indemnifications and releases contained in Section 24, the Software Maintenance Option, and all other provisions which by their inherent character or express terms should survive termination of this Contract, shall survive the termination of this Contract, the expiration of the O&M Term, and the expiration of any Software Maintenance Option Period.

31.8 Limitation on Third Party Beneficiaries

31.8.1 Department was an intended third party beneficiary to the Original Contract and will be a third party beneficiary to any additional Work that is subject to a Cooperative Agreement with the Department. The Indemnified Parties are intended third party beneficiaries of the indemnity provisions of this Contract. It is not intended by any of the provisions of this Contract to create any other third party beneficiary hereunder or to authorize anyone not a Party to this Contract (other than Department or the Indemnified Parties) to maintain a suit for personal injury or property damage pursuant to the terms or provisions hereof, except to the extent that specific provisions (such as the warranty and indemnity provisions) identify third parties and state that they are entitled to benefits hereunder. The Department is not a third party beneficiary to any provisions of this Contract that relate to the 91 EL Transition Work, or the O&M Work.

Except as otherwise provided in this Section 31.8, the duties, obligations and responsibilities of the Parties pursuant to this Contract with respect to third parties shall remain as imposed by Governmental Rule.

31.9 Tort Liability; Personal Liability of Agency Employees

31.9.1 RCTC's Representatives and OCTA's Representatives are acting solely as agents and representatives of RCTC or OCTA, respectively, when carrying out the provisions of or exercising any right under this Contract. They shall not be liable either personally or as employees of RCTC or OCTA, respectively, for actions in their ordinary course of employment.

31.9.2 The Parties agree to provide to each other's Representative(s) Notice of any Claim that either Party receives from any third party relating in any way to the matters addressed in this Contract, and shall otherwise provide Notice in such form and within such period as is required by Governmental Rule.

31.9.3 No agent, consultant, officer or authorized employee of Agencies nor any member of either Agency's Board of Directors, shall be personally responsible for any liability arising under this Contract.

31.10 Governing Law

This Contract shall be governed by and construed in accordance with the law of the State, without regard to conflict of law principles. The venue of any court, judicial or referee proceeding under this Contract shall be in San Diego County, California, unless changed by the judicial officer.

31.11 Notices and Communications

31.11.1 All notices, requests, demands, instructions, certificates, consents, explanations, agreements, approvals and other communications (each being a "Notice") required or permitted under this Contract shall be in writing and (a) delivered personally, (b) sent by certified mail, return receipt requested, (c) sent by a recognized overnight mail or courier service, with delivery receipt requested, or (d) sent by telephone, facsimile or email communication followed by a hard copy and with receipt confirmed by telephone, to the following addresses (or to such other address as may from time to time be specified in writing by such Person):

All correspondence with TSP shall be sent to TSP's Representative or as otherwise directed by TSP's Representative. The address for such communications shall be:

Kapsch TrafficCom Transportation NA, Inc.
Attention: Brian Tom
2855 Premiere Parkway Duluth, GA 30097 United States of America
E-mail: brian.tom@kapsch.net

All communications to RCTC shall be marked as regarding this Contract and shall be delivered as directed by RCTC's Representative. The address for such communications shall be:

Riverside County Transportation Commission
Attention: _____
3850 Vine Street
Riverside, California
Phone: (951) 787-7141
Facsimile: (951) 787-7920
email address: _____

In addition, copies of all notices regarding disputes, termination and default notices shall be delivered to the following persons:

Riverside County Transportation Commission
Attention: Aaron Hake, Executive Director
4080 Lemon Street, 3rd Floor
Riverside, California 92501
Phone: (951) 787-7141
Facsimile: (951) 787-7920
email address: ahake@rctc.org

All communications to OCTA shall be marked as regarding this Contract and shall be delivered as directed by OCTA's Representative. The address for such communications shall be:

Orange County Transportation Authority
Attention: Kirk Avila, General Manager of Express Lanes Programs
550 South Main Street
Orange, California 92863-1584
Phone: (714) 560-5674
email address: Kavila@octa.net

31.11.2 Notices shall be deemed received when actually received in the office of the addressee (or by the addressee if personally delivered) or when delivery is refused, as shown on the receipt of the U.S. Postal Service, private carrier or other Person making the delivery. Notwithstanding the foregoing, Notices sent by facsimile after 4:00 p.m. PT and all other Notices received after 5:00 p.m. shall be deemed received on the first Business Day following delivery (that is, in order for a fax to be deemed received on the same day, at least the first page of the fax must have been received before 4:00 p.m.). Any technical or other communications pertaining to the Toll Services shall be conducted by TSP's Representative or TSP's Key Personnel and technical representatives designated by each Agency..

31.11.3 TSP shall copy Agencies on all written correspondence pertaining to the Toll Services between TSP and any Person other than TSP's Subcontractors, consultants and attorneys. Notwithstanding the foregoing, TSP shall not be required to copy Agencies on standard written correspondence with Customers issued in accordance with the Business Rules and approved Plans, except as may be specifically requested by Agencies, or either of them..

31.12 Further Assurances

TSP shall promptly execute and deliver to Agencies all such instruments and other documents and assurances as are reasonably requested by Agencies to further evidence the obligations of TSP under this Contract, including assurances regarding the validity of (a) the assignments of Subcontracts contained herein and (b) any instruments securing performance hereof.

31.13 Severability

If any clause, provision, section or part of this Contract is ruled invalid under Section 27 or otherwise by a court having proper jurisdiction, then the Parties shall: (a) promptly meet and negotiate a substitute for such clause, provision, section or part, which shall, to the greatest extent legally permissible, effect the original intent of the Parties, including an equitable adjustment to the Contract Price to account for any change in the Toll Services resulting from such invalidated portion; and (b) if necessary or desirable, apply to the court or other decision maker (as applicable) which declared such invalidity for an interpretation of the invalidated portion to guide the negotiations. The invalidity or unenforceability of any such clause, provision, section or part shall not affect the validity or enforceability of the balance of this Contract, which shall be construed and enforced as if this Contract did not contain such invalid or unenforceable clause, provision, section or part.

31.14 Table of Contents and Headings

The table of contents and captions of the sections of this Contract are for convenience only, are not part of this Contract or to be considered in construing this Contract.

31.15 Entire Agreement

This Contract contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, statements, representations and negotiations between the parties with respect to their subject matter.

31.16 Counterparts; Electronic Signatures

This instrument may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be signed using an electronic signature.

31.17 Costs

(a) Each Party is responsible for paying its own Costs and expenses incurred in connection with the negotiation, preparation and execution and delivery of this Contract.

(b) Except as otherwise provided in this Contract, each Party shall perform its obligations in accordance with this Contract at its own Cost and risk.

SECTION 32 SIGNATURE WARRANTY

32.1 Signature Warranty

Each signatory to this Contract warrants that the signatory has necessary authority to execute this Contract on behalf of the entity represented.

[SIGNATURE PAGE TO FOLLOW]

DRAFT

IN WITNESS WHEREOF, this Contract has been executed as of _____, 2026.

TOLL SYSTEM PROVIDER

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

CA Contractor License #: _____

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM

By: _____

Name: _____

Title: _____

Date: _____

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____

Name: _____

DRAFT

Title: _____

APPROVED AS TO FORM

By: _____

Name: _____

Title: _____

Date: _____

DRAFT

EXHIBIT 1 AND EXHIBIT 2

[ATTACHED BEHIND THIS PAGE]

DRAFT

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ABBREVIATIONS AND DEFINITIONS

Unless the context otherwise requires, the abbreviations and capitalized terms used in this Contract have the meanings given below:

ACH	Automated Clearing House
ALPR	Automatic License Plate Reader
AVC	Automatic Vehicle Classification
AVI	Automatic Vehicle Identification
CALTRANS	California Department of Transportation
CD ROM	Compact Disc Read Only Memory
CDR	Critical Design Review
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
CFR	Code of Federal Regulations
CGL	Commercial General Liability
CHP	California Highway Patrol
CMS	Changeable Message Sign
CPM	Critical Path Method
CSC	Customer Service Center
CSR	Customer Service Representative
CTOC	California Toll Operators Committee
D&D	Design and Deployment
DB	Design Build
DBE	Disadvantaged Business Enterprise
DBMS	Database Management System
DC	Direct Current
DCS	Document Control System
DIR	Department of Industrial Relations

DLSE	Division of Labor Standards Enforcement
DMV	Department of Motor Vehicles
EIA	Electronic Industries Association
EL	Express Lanes
EMI	Electromagnetic Interference
EPD	Escrowed Proposal Documents
ETC	Electronic Toll Collection
FAT	Factory Acceptance Testing
FCC	Federal Communications Commission
FICA	Federal Insurance Compensation
FF&E	Fixtures, Furnishings and Equipment
FHWA	Federal Highway Administration
FONSI	Finding of No Significant Impact
FSP	Freeway Service Patrol
FTB	Franchise Tax Board
FTP	File Transfer Protocol
FUTA	Federal Unemployment Tax Act
GAAP	Generally Accepted Accounting Principles
GP	General Purpose
GPS	Global Positioning System
GUI	Graphical User Interface
HOV	High Occupancy Vehicle
IBT	Image Based Transactions
ICD	Interface Control Document
ID	Identification
IDD	Infrastructure Design Document
IDR	Infrastructure Design Review
IEEE	Institute of Electrical and Electronic Engineers
IP	Internet Protocol
ISO	International Standards Organization

IT	Information Technology
ITP	Instructions to Proposers
IVR	Interactive Voice Response
KPI	Key Performance Indicators
LAN	Local Area Network
LED	Light Emitting Diode
LOS	Level of Service
LPR	License Plate Recognition
MBPS	megabits per second
MOMS	Maintenance On-Line Management System
MOT	Maintenance of Traffic
MPH	miles per hour
MUTCD	Manual on Uniform Traffic Control Devices
NDTEV	Notice of Delinquent Toll Evasion Violation
NEC	National Electric Code
NEMA	National Electrical Manufacturers Association
NEPA	National Environmental Policy Act
NIST	National Institute of Standards and Technology
NMS	Network Management System
NTEV	Notice of Toll Evasion Violation
NTP	Notice to Proceed
O&M	Operations and Maintenance
OABL	Observation Area Beacon Light
OBL	Overhead Beacon Light
OCR	Optical Character Recognition
ODS	Occupancy Detection System
OFIT	Onsite First Installation Test
OJT	Federal on-the-job training
ORT	Open Road Tolling
OSHA	Occupational Safety and Health Administration

PCI	Payment Card Industry
PCI DSS	PCI Data Security Standard
PCM	Project and Construction Manager
PDR	Preliminary Design Review
PII	Personally Identifiable Information
PMP	Project Management Plan
PS	Price Sheet
PTZ	Pan/Tilt/Zoom
QA/QC	Quality Assurance/Quality Control
QMP	Quality Management Plan
RFC	Request for Comments
RFID	Radio Frequency Identification
RFP	Request for Proposals
RFQ	Request for Qualifications
RMON	Remote Monitoring
ROC	RCTC Operations Center
ROW	Right-of-Way
RTM	Requirements Traceability Matrix
RU	Rack Units
SDP	Software Development Plan
SMFO	Single Mode Fiber-Optic
SMON	Switch Monitoring
SNMP	Simple Network Management Protocol
SOP	Standard Operating Procedures
SOQ	Statement of Qualifications
SOV	Single Occupancy Vehicle
SSH	Secure Shell
SSL	Secure Socket Layer
SUCA	State Unemployment Compensation Act
TCP	Transmission Control Protocol

TCS	Toll Collection System
TFTP	Trivial File Transfer Protocol
TIA	Telecommunications Industry Association
TMS	Traffic Management System
TOC	Traffic Operation Center
TP	Technical Provisions
TSF	Tag Status File
TSP	Toll System Provider
UPS	Uninterruptible Power Supply
USDOT	United States Department of Transportation
US GAAP	United States Generally Accepted Accounting Practices
USPS	United States Postal Service
VAC	volts of alternating current
VDT	Vehicle Data Tag
VES	Violation Enforcement System
VLAN	Virtual Local Area Network
VPN	Virtual Private Network
VTMS	Variable Toll Message Signs
WAN	Wide Area Network
WBS	Work Breakdown Structure
WIC	Walk-In Center

91 Express Lanes means the State Route 91 Express Lanes, as defined herein.

91 EL Go-Live Date means the date on which the 91 EL Transition Work is substantially complete, and 91 Express Lanes revenue operations are commenced, all as further described in Exhibit ___.

91 EL Transition Work means the Work to complete the 91 Express Lanes Back Office System Transition, as detailed in Exhibit ___.

Acceleration Costs means those fully documented increased costs reasonably incurred by TSP (that is, costs over and above what TSP would otherwise have incurred) which are directly and solely attributable to increasing the performance and production levels of the D&D Work to complete necessary elements or segments of the D&D Work earlier than otherwise anticipated, such as for additional equipment, additional crews, lost productivity, overtime and shift premiums, increased

supervision and any unexpected material, equipment or crew movement necessary for resequencing in connection with accelerated efforts. Audited Overhead, TSP Margin and Margin in connection with acceleration efforts shall not exceed the amount allowed under Section 20.

Account means a unique record maintained by TSP for each customer and Violator which contains contact information, vehicle information, Transactions, financial information, and other data necessary to effectively and accurately post tolls, collect revenue, process violations, and perform customer and Violator relationship management. The following modifiers can be added to Account:

(a) Transponder: Accounts established through a mutual agreement between a 91 Express Lanes Project customer or I15 Express Lanes Project customer and the CSC or an Agency, excluding Retail Transponder Accounts, for the payment of tolls based upon the Transponder registered to the account holder;

(b) Violator: Accounts established through the processing of Image Based Transactions;

(c) Non-Revenue: Accounts established to provide free passage to approved EL users with or without a Transponder;

(d) Large: Accounts established to support customers with a large number of vehicles such as rental car companies, trucking fleets, and bus fleets;

(e) Closed Transponder Account: A Transponder Account that is no longer active or available for use by a customer; and

(f) Retail: Transponder Accounts established for distribution by a third party retailer before customer activation.

Active Transponder Account means a Transponder Account that allows for posting of Trip Transactions in accordance with the Business Rules and has had a Financial Transaction within the previous month.

Actual Knowledge means the facts and information actually known to and present in the mind of TSP's or an Agency Representative (as applicable), after due consultation with other personnel of such party directly involved with the Toll Services, as applicable.

Actual Measured Average Daily Traffic Trips means the total number of Trips occurring on the I-15 Express Lanes Project, over a 365 day consecutive period (or 366 day in a leap year), divided by 365 or 366 (as applicable).

Additional Repair Time has the meaning given in TP Section 16.6.

Administrative Hearing means a review initiated at the Violators request, of the results of the Investigative Review. The Administrative Hearing shall be conducted in accordance with CA Vehicle Code 40255.

Affiliate means: (1) any Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, TSP or any Equity Member, and (2) any Person for which 10% or more of the equity interest in such Person is held directly or indirectly, beneficially or of record by TSP, any Equity Member or any Affiliate of TSP

under clause (1) of this definition. For purposes of this definition the term "control" means the possession, directly or indirectly, of the power to cause the direction of the management of a Person, whether through voting securities, by contract, family relationship or otherwise.

Agency means either OCTA or RCTC.

Agencies means both OCTA and RCTC, except as otherwise indicated by the context and as further detailed in the Contract.

Anaheim Facility means OCTA's 91 Express Lanes administrative offices located at 180 N Riverview Dr, Suite 200, Anaheim, CA 92808

Annual Renewal Test(ing) has the meaning given in TP Section 5.7.

As-Built Technical Drawings means documents required to be prepared by TSP and delivered to RCTC in accordance with TP Section 15.4 that constitute a complete and accurate record of the TCS as designed, installed, integrated, deployed and tested in accordance with this Contract. A copy of the documents shall be provided to OCTA on request.

Audited Overhead means the applicable audited overhead rate in accordance with the Federal Acquisition Regulation ("FAR") provided by TSP for each year of the Term in accordance with Section 16.4.2 which shall include and constitute full compensation to TSP for all taxes, insurance, fringe benefits, labor burden and all other payments made to, or on behalf of workers, in excess of actual wages.

Automatic Vehicle Identification means a system consisting of radio frequency antenna and reader equipment and a compatible transponder mounted in a vehicle for automatic unique identification of the vehicle upon the electronic read of the transponder as it passes through the toll collection point of the lane**.**

Availability means, at any time after the CSC Commencement Date, that the TCS is operational for performance of the Toll Services and in the condition required by the Contract at that time.

Baseline Schedule means the approved project schedule developed and maintained by TSP as specified in Section 8.3.

Bond means each of the Proposal Bond, Performance Bond, Payment Bond, Maintenance Performance Bond and Maintenance Payment Bond, or all of them as the context requires.

Books and Records means any and all documents, books, records, papers, or other information relating to the I-15 Express Lanes Project and the 91 Express Lanes, this Contract and/or the Toll Services, including:

(a) all design and deployment documents, and operations and maintenance documents including drawings, specifications, submittals, subcontracts, subconsultant agreements, purchase orders, invoices, schedules, meeting minutes, budgets, forecasts, change orders, Plans, reports and manuals;

(b) daily time sheets and supervisor's daily reports, union agreements, insurance, welfare and benefits records, payroll registers, material cost distribution work sheet, Subcontractors' (including suppliers) invoices, Subcontractors' and agents' payment certificates, Project Schedules, earning records, payroll tax forms, invoices and requisitions, equipment records, payment certificates, cancelled checks, job cost reports, job payroll ledges, general ledger, cash disbursement journal;

(c) income statements, balance sheets, statements of cash flow and changes in financial position, details regarding operating income, expenses, capital expenditures and budgeted operating results;

(d) all budgets, certificates, Claims, contract agreements, correspondence, data (including test data), documents, expert analyses, facts, files, information, investigations, materials, notices, plans, projections, proposals, records, reports, requests, samples, schedules, settlements, statements, studies, surveys, tests, test results, traffic information (including volume counts, classification counts, origin and destination data, speed and travel time information and vehicle jurisdiction data) analyzed, categorized, characterized, created, collected, generated, maintained, processed, produced, prepared, provided, recorded, stored or used by any TSP-Related Entity; and

(e) with respect to clauses (a) - (d), any information that is stored electronically or on computer-related media, including in the electronic document management system; provided however, that nothing in this Contract shall require the disclosure by any Party of Books and Records that is protected by the attorney-client or other legal privilege based upon an opinion of counsel reasonably satisfactory to the other Party.

Budget means the annual budget for Pass-Through Cost Items approved through the Submittal Process or Section 18.17, subject to (i) amendment in accordance with Section 20, and (ii) in the case of the Budgets adopted for subsequent Fiscal Years, subject to being superseded by subsequent approved Budgets. The Budget shall be prepared in monthly detail with a breakdown approved by the applicable Agency and in current dollars for each year of expenditure with respect to all Fiscal Years.

Business Continuity Plan means the approved plan prepared by TSP in accordance with TP Section 17.

Business Day means Monday through Friday, excluding weekends and the holidays listed in TP Section 8.2.2.2.

Business Rules means the approved set of rules that details how TSP shall respond to various operating situations that occur during the toll collection process based on business case and policy decisions and the treatment of those transactions throughout the account maintenance, invoice, collection and violation and enforcement phases to be developed in accordance with TP Section 2.3 and Section 10.2.

California Toll Operators Committee means the organization and its members, including toll facility operators/owners and other agencies who work together to enable interoperability. CTOC includes operators/owners within California and may include

operators/owners in the western United States. CTOC is used to facilitate the exchange of transactions and monies.

Call Center means the physical location where CSRs respond to telephone calls from customers.

CCTV System(s) means closed circuit television system used to monitor the facilities within the TCS.

Certificate of End of O&M Term Acceptance means the Agencies' certificate issued in accordance with Section 13.2.

Change means:

(a) Any addition, decrease, omission, deletion or removal to or from the Toll Services or the Technical Provisions;

(b) Conversion of any Pass-Through Cost Items to a component of the Total O&M Cost, and any resulting adjustment of any annual Budget;

(c) Any addition, omission or change to Policy limits or deductibles of the insurance policies; and

(d) Other changes to this Contract or other items the Parties agree to be a Change or which this Contract states to be a Change, excluding,

(e) Minor Revisions;

(f) Any Change resulting from delay by the DB Contractor in achieving any Package Turnover Deadline by the Package Turnover Date which does not change the applicable minimum timeframe for TSP to complete the applicable Package as set out in Section 8.9.9;

(g) Any addition, decrease, omission, deletion or removal to or from the Toll Services as a result of a change in the number of Active Transponder Accounts in years 1 or 2 of the O&M Term.

Change in Law means the enactment, adoption, modification, repeal or other change in any Governmental Rule that occurs after the Setting Date, including any change in the judicial or administrative interpretation of any Governmental Rule, or adoption of any new Governmental Rule, which is materially inconsistent with any Governmental Rule in effect on the Setting Date, but excluding:

(a) a change in or new Governmental Rule which was passed or adopted but not yet effective as of the Setting Date;

(b) a Change in a Referenced Standard;

(c) a change in the way a Governmental Rule is applied or interpreted as a result of:

(i) the failure of any TSP-Related Entity to comply with a Governmental Rule or any Governmental Approval;

(ii) an illegal act or omission of any TSP-Related Entity; or

(iii) any breach of this Contract by TSP;

(d) a change in any Governmental Rule relating to taxes; or

(e) a change in Governmental Rule which was not in force at issuance of NTP1 but which (i) had been published by a draft bill or draft statutory instrument or otherwise specifically referred to prior to the issuance of NTP1; (ii) a party experienced and competent in the implementation of work or services similar to the Toll Services would have reasonably foreseen or anticipated prior to the issuance of NTP1, including adoption of a national interoperability standard ; or (iii) is substantially the same as a Governmental Rule in force prior to issuance of NTP1.

Change Notice means a Notice issued by Agencies, or by an Agency, in accordance with Section 20.4.1.

Change Order means a written amendment to the terms and conditions of this Contract issued by Agencies, or by an Agency, to TSP with respect to a Change in accordance with Section 20.5, and shall include a "claim" from TSP, as that term is defined in Pub. Cont. Code § 9204.

Change Order Notification Process means the applicable procedural requirements specified in Section 20, including timely delivery of Notices to Agencies of Changes or Eligible Changes, timely submittal of Change Responses and TSP Change Requests.

Change Order Response Form means Attachment 1 to Exhibit 23.

Change Response means a Notice issued by TSP to Agencies in accordance with Section 20.4.3 and consistent with the form of Exhibit 23.

Check 21 means the Check 21 Act which allows the recipient of a paper check to create a digital version of the original paper check, eliminating the need for further handling of the physical document and speeding the processing of paper checks.

Civil Site Acceptance Checklist means the checklist prepared by TSP and submitted as part of the Installation Plan that TSP shall use to verify that all DB Civil Toll Infrastructure elements at roadside equipment locations where TSP will install TCS equipment are accepted by TSP and suitable for proper execution of the Toll Services in compliance with the requirements of the Contract.

Claim means any claim, proceeding, action, cause of action, demand, judgments, investigations or suit (including by way of contribution or indemnity) made:

(a) in connection with this Contract, the Toll Services, the Site, the I-15 Express Lanes Project or 91 Express Lanes;

(b) at Governmental Rule or in equity; or

(c) for specific performance, restitution, payment of money (including damages), an extension of time, or any other form of relief.

Code Escrow Agent means the escrow company that TSP designates and approved by RCTC or Agencies, as applicable, to hold the Source Code Escrow.

Co-located Office means the shared office space procured by RCTC or the DB Contractor for TSP for use during the D&D Phase in accordance with Section 7.5.

Collection System means the toll collection system for State Route 91 or the TCS for the I-15 Express Lanes Project (as applicable).

Commercial Off-the-Shelf (COTS) means commercially available off-the-shelf Hardware and Software that is sold to the general public in the same precise form and requires little to no modification to use that is supplied by TSP as part of the TCS.

Commissioning Test(ing) means testing performed by TSP to demonstrate that the TCS is fully installed, integrated, and functioning in accordance with the TPs and approved design documentation to test all TCS functionality, including any and all equipment, software, and internal and external interfaces under controlled test conditions.

Communication Network means Software and Hardware used to transmit and receive data between various components internal and external to the TCS.

Communications Network Acceptance Checklist means the checklist prepared by TSP and submitted as part of the Installation Plan that TSP shall use to verify that all communications network elements where TSP will install TCS equipment are accepted by TSP and suitable for proper execution of the D&D Work in compliance with the requirements of this Contract.

Completion Deadline(s) means each of the following:

(a) CSC Commencement Deadline;

(b) Revenue Service Commencement Deadline; and

(c) TCS Acceptance Deadline, or all of them as the context requires.

Following issuance of NTP3, Completion Deadline(s) means each deadline identified in Exhibit __ as subject to liquidated damages if TSP fails to meet such deadline.

Completion Milestone(s) means each of the following:

(a) CSC Commencement;

(b) Revenue Service Commencement; and

(c) TCS Acceptance,

or all of them as the context requires.

Following issuance of NTP3, Completion Milestone(s) means each milestone identified in Exhibit __ as a completion milestone.

Components means all spare parts, supplies, consumables, tools and other operating items that are required for the continuous operation and maintenance of the TCS in accordance with this Contract during the Term.

Configurable means, with respect to the Business Rules or any other aspect of the TCS, that TSP may change the relevant rule or aspect of the TCS without material modification of Software code.

Configurable Parameter means, with respect to the Business Rules or any other aspect of the TCS, that TSP may change within a specified range the relevant value or aspect of the TCS without modification of the Software code.

Configuration Management Plan means the approved plan prepared by TSP as specified in TP Section 2.11.

Contaminated Groundwater means any extracted, pumped and/or ponded groundwater that contains Hazardous Materials.

Contract means this Amended and Restated Toll Services Contract entered into [DATE] by and between RCTC, OCTA and TSP.

Contract Price means, as to each Agency individually, the total 91 EL Transition Work Cost to be paid by the applicable Agency, plus the Total O&M Cost to be paid by the applicable Agency, subject to adjustment in accordance with Section 20.

Corridor means a continuous stretch of the EL roadway operated by the same operator and containing predefined start and end points as described in TP Section 1.1.

Costs means costs which are incurred or expended, reported and documented by TSP in accordance with generally accepted accounting principles, to the extent applicable, to perform the Toll Services in accordance with this Contract, excluding:

(a) unrealized losses;

(b) Costs of criminal proceedings if the result is a conviction;

(c) executive compensation and gifts, gratuities and entertainment to the extent the same would not be deductible from TSP's adjusted gross income (assuming TSP were a stand-alone for-profit corporation) under the Internal Revenue Code;

(d) legal penalties or fines assessed under applicable Governmental Rules, except penalties and/or fines (other than with respect to late payment of taxes) assessed on the basis of negligence or strict liability;

(e) default rates of interest;

(f) interest charges and penalties for late payment;

(g) prepayment premiums and penalties, except to the extent the prepayment results in lower subsequent costs determined on a net present value basis;

(h) travel costs that would not be allowable under 48 CFR 31.205-46(d), if it were applicable;

(i) training costs that would not be allowable under 48 CFR 31.205-44, if it were applicable;

(j) trade, business, technical and professional activity costs that would not be allowable under 48 CFR 31.205-43, if it were applicable;

(k) fines and penalties, including late penalties on taxes, as defined under 48 CFR 31.205-15, if it were applicable except penalties and/or fines (other than with respect to late payment of taxes) assessed on the basis of negligence or strict liability;

(l) losses on other contracts as defined under 48 CFR 31.205-23, if it were applicable;

(m) independent research and development costs except to the extent that such costs are incurred for the benefit of the Toll Facilities or are otherwise approved by RCTC in writing;

(n) excessive contributions or donations under 48 CFR 31.205-8, if it were applicable;

(o) compensation incidental to business acquisitions as defined under 48 CFR 31.205-6(I), if it were applicable;

(p) employee Stock Ownership Plan (ESOP) costs to the extent disallowed under 48 CFR 31-205-6(j)(8), if it were applicable;

(q) unreasonable post-retirement benefits other than pensions as defined under 48 CFR 31.205-6(o), if it were applicable;

(r) employee rebate and purchase discount plans as defined under 48 CFR 31.205-6(n), if it were applicable;

(s) unallowable public relations and advertising costs as defined under 48 CFR 31.205-1(f)(3) and 48 CFR 31.205-1(f)(4)(i), if it were applicable;

(t) unallowable lobbying and political activity costs under 48 CFR 31.205-22(1), (2) and (6), if it were applicable;

(u) costs which are more than the costs for similar goods and services specified in generally available commercial list prices, taking into account reasonable seasonal variations; and

(v) costs which are not justifiable by life cycle analysis, accelerated delivery or accelerated completion of goods or services (as used herein “life cycle analysis” means an analysis indicating that costs relating to the construction, installation, modification, maintenance or provision of services, parts, supplies, equipment or materials to the Toll Facilities or any or all parts or components thereof which are higher than the cost of functionally equivalent construction, installation, modification, maintenance service, part, supply, equipment or material are

justified because such increased cost will result in a lowering of costs to be incurred in the future equal to or greater than the difference between the cost incurred and the cost of its functional equivalent; such analyses being typically performed using a net present value methodology).

CPI Factor means the CPI for the then most recent full calendar year (January – December) rounded to the nearest whole cent.

Critical Design Document means the design documents updated from PDR as described in TP Section 4.4.

Critical Design Review means the review of the Critical Design Document as described in TP Section 4.4.

Critical Failure means any failure of the TCS that would result in material consequences including any loss of transactions, loss of revenue, or degradation of express lane operations.

Critical Path means each critical path on the Project Schedule (including the schedule for the 91 EL Transition Work), which ends on a Completion Deadline (i.e. the term shall apply only following consumption of all available Float in the schedule for such Completion Deadline).

Critical Path Method (CPM) means a method for scheduling the work where all major components of the Work are laid out in a diagram to show the proper sequencing of tasks and the necessary time required for each task, showing which tasks are critical to each other.

CSC Commencement means the stage in the D&D Work when the following requirements have been satisfied by TSP in accordance with this Contract:

(a) completion of all of the D&D Work included within Payment Milestones 1-13;

(b) TSP has completed and passed the Factory Acceptance Test, Installation Test, CSC System Commissioning Test and Interface Test and obtained RCTC's written approval of the test results, and all of the requirements specified in TP Section 5.5 are satisfied;

(c) TSP has furnished the ROC with all Equipment required to achieve CSC Commencement;

(d) CSC Software Source Code and other documentation has been provided to TSP as required by Section 29.12 and TP Section 16.5;

(e) TSP has secured and trained all personnel necessary to perform the CSC Commencement Toll Services;

(f) TSP has completed any other conditions required for CSC Commencement identified as a condition of or in this Contract; and

(g) TSP has completed the CSC Commencement Checklist.

CSC Commencement Checklist means a document prepared by TSP and submitted to RCTC that TSP shall use to verify that all personnel, equipment, systems, and procedures within

the CSC are reasonably suitable for proper execution of the CSC Commencement Period Work in compliance with the requirements of the Contract as described in TP Section 8.2.1.1.

CSC Commencement Period Cost means the Unit Price specified in Price Sheet Form J-3- Line Item 59.

CSC Commencement Date means the day on which TSP achieves CSC Commencement, as certified by RCTC's issuance of a Notice of CSC Commencement.

CSC Commencement Deadline means:

(a) Prior to NTP2, the anticipated date that is sixty days prior to the Revenue Service Commencement Deadline, as set out in the Project Schedule; and

(b) After NTP2, the date for the CSC Commencement Deadline, as set out in RCTC's Notice under Section 8.3.3.

CSC Commencement Period means the time period commencing on the authorized date that TSP begins performing the CSC Commencement Period Toll Services and ending on the Revenue Service Commencement Date.

CSC Commencement Period Toll Services means the Work specified in TP Section 8.2.1.1 that TSP performs to operate the CSC prior to the Revenue Service Commencement Date.

CSC Installation Test means the testing of the CSC described in TP Section 5.5.2.

CSC System Commissioning Test means the testing of the CSC described in TP Section 5.5.3.

CSC Software means the Software that enable computers, servers, and other computing Hardware to perform the Toll Services associated with the CSC which requires such Hardware.

CSC System means the Software, Hardware, third party services, processes, databases, and interfaces used to perform the CSC Work and Toll Services as described in the TPs and Contract.

CTOC Technical Specifications means the most recent documents approved by CTOC governing the exchange of data between CTOC member toll operators and business rules.

Custom Software means the Software described in Exhibit 18 as Software that TSP expects to develop for the Toll Services.

Customer Service Center means the toll collection customer and violation account management system and services.

Customer Website means the website to be used by the public as described in TP Section 8.6.8.

D&D Monthly Progress Report means a single monthly submission and compilation of all monthly reports required by this Contract during the D&D Phase and for review at monthly progress meetings.

D&D Phase means the time period commencing upon NTP1 and ending upon TCS System Acceptance**.**

D&D Quality Manager means the individual responsible for TSP's overall QA/QC program for the D&D Work.

D&D Work means all Work required to design, install, integrate, deploy and test the TCS that TSP is required to perform to achieve TCS Acceptance, including Configuration Work, all physical structures and improvements to be developed by TSP, and all labor, management, supervision, materials, equipment, tools, Software, licenses, utilities, transportation and other facilities and services and efforts necessary for proper completion of the D&D Work, as well as the TSP Insurance and the increased Proposal Bond, Payment Bond and Performance Bond required under this Contract.

Database Management System means the database management system complying with the requirements in TP Section 8.3.1.

Data Mart means a separate copy of all Lane, ETC Host, and CSC Host data to be available to and used by RCTC.

Data Security Plan means the approved plan prepared by TSP describing policies and procedures for the protection of data for the I-15 Express Lanes Project as specified in TP Section 2.8.

DB Civil Toll Infrastructure means the elements of the Toll Infrastructure built by DB Contractor and provided to TSP for installation of the TCS as part of each Package Turnover in accordance with the TCS Infrastructure Design Document.

DB Contract means the agreement between RCTC and the DB Contractor for design and construction of the civil infrastructure for the I-15 Express Lanes Project.

DB Contractor means the design-build contractor for the I-15 Express Lanes Project.

DB Work means the civil infrastructure for the Toll Services to be performed by the DB Contractor under the DB Contract.

DBE Performance Plan means the approved plan prepared by TSP describing methods to be employed for achieving RCTC's DBE Goals for the Toll Services, including TSP's exercise of good faith efforts.

DBE Regulations has the meaning given in Section 15.8.

Delay Liquidated Damages means the amount(s) that TSP is required to pay to RCTC for delay in meeting certain Completion Deadlines in accordance with Section 11.4, or in accordance with Exhibit , as applicable.

Deliverable means all requirements for work products, end products and other items, elements and submissions specified in this Contract and that TSP is required to prepare and submit to Agencies for their review, comment, disapprove and/or approve as specified in this Contract.

Demarcation Matrix means the table setting out the responsibilities of DB Contractor and TSP with respect to the I-15 Express Lanes Project set out in TP Section 19.3.

Department means CALTRANS.

Department-Caused Delays means unavoidable delays from Department failure or inability to:

(a) respond to Deliverables for which an affirmative response by Department is required; or

(b) provide design and construction oversight, materials inspection and material and engineering testing services, in each case, within the time periods indicated in this Contract Department Cooperative Agreement has the meaning given in Recital B.

Department of Motor Vehicles (DMV) means the agency in California that provides vehicle registration information for Image Based Transactions and supports the collection of penalties against toll violators referred to as the Department of Motor Vehicles.

Design and Deployment Phase (or D&D Phase) means the time period commencing on issuance of NTP1 and ending on the Revenue Service Commencement Date.

Developed Intellectual Property has the meaning given in Section 29.7.1.

Deviations means any change, deviation, modification or alteration from the requirements this Contract, applicable Governmental Rule and the Governmental Approvals.

Directive Letter means a written direction signed by Agencies, or the applicable Agency as appropriate, directing a change (including a Change) that complies with the requirements of Section 20.3.

Disadvantaged Business Enterprise or DBE has the meaning given in 49 CFR Part 26.

Disaster Recovery Plan means the approved plan that documents the TSP's facilities and operations, assesses the hazards and vulnerabilities that the TSP's facilities and operations could face, and describes how TSP shall maintain or recover its operations in the event of a business interruption from a disaster as specified in TP Section 17.1.1.

Disaster Recovery and Back-Up Test has the meaning given in TP Section 5.6.2.

Dispute means a disagreement between the Parties as to the merits, amounts, or remedy arising out of an issue in controversy, including a disagreement regarding a Claim.

Document Control Work Plan means the approved plan prepared by TSP outlining document control processes that will be employed throughout the Term as specified in TP Section 2.5.3.2.

Dynamic Pricing means a toll rate structure that fluctuates based on traffic conditions to manage congestion through a supply/demand model.

Effective Date means _____, 2026.

Electronic Toll Collection means the collection of tolls based on the automatic identification of vehicles using electronic systems.

Eligible Change means a Force Majeure Event, Package Turnover Delay, Excusable Delay or O&M Relief Event or all of them as the context requires.

Eligible Surety means a bonding surety licensed in the State, listed on the U.S. Department of the Treasury's "Listing and Approved Sureties" (found at www.fms.treas.gov/c570/c570.html), rated "A" or higher by at least two nationally-recognized rating agencies (Fitch Ratings, Moody's Investor Service and Standard & Poor's) or rated at least A-, X or higher according to A.M. Best's Financial Strength Rating and Financial Size.

Emergency means any situation, event, or circumstance:

(a) Which constitutes or may constitute an immediate or imminent threat to the long term integrity of any part of the TCS or to the safety of users or the traveling public;

(b) Which is recognized by Agencies as an emergency or is recognized or declared by the Governor of the State, the Federal Emergency Management Administration (FEMA), the U.S. Department of Homeland Security or other Governmental Entity with authority to declare an emergency; or

(c) That requires the immediate use of the I-15 Express Lanes Project or the 91 Express Lanes as an emergency evacuation route.

End of Contract Transition Plan means the approved plan prepared by TSP describing the transition of the O&M Work to the Successor without disruption to users as specified in TP Section 18.1.

End of O&M Term Acceptance means the occurrence of all of the events and satisfaction of all of the conditions in Section 13.1.

Environmental Approvals means all Governmental Approvals arising from or required by any Environmental Law in connection with the Toll Services.

Environmental Law means (a) all Governmental Rule applicable to the Toll Services now or relating to, or imposing liability or standards of conduct concerning the environment or to emissions, discharges, releases or threatened releases of Hazardous Materials into the environment including into the air, surface water or ground water or onto land, and (b) any requirements and standards that pertain to the protection of the environment, or to the management of Hazardous Materials or emissions, discharges, releases or threatened releases of Hazardous Materials into the environment, contamination of any type whatsoever, or health and safety matters with respect to Hazardous Materials, specified in any Governmental Approval, or other criteria and guidelines promulgated, in accordance with Governmental Rule applicable to the Toll Services, including those relating to:

(a) The manufacture, processing, distribution, use, re-use, treatment, storage, disposal, transport or handling of Hazardous Materials;

(b) The protection of public health, public welfare or the environment (including protection of nonhuman forms of life, land, surface water, groundwater and air);

(c) Air, soil, surface and subsurface strata, stream sediments, surface water, and groundwater;

(d) Release of Hazardous Materials;

(e) Protection of wildlife, endangered, threatened, and sensitive species, wetlands, water courses and water bodies, parks and recreation lands, cultural, historical, archeological, and paleontological resources and natural resources;

(f) The operation and closure of underground or aboveground storage tanks;

(g) Health and safety of employees and other persons with respect to Hazardous Materials; and

(h) Notification, documentation and record keeping requirements relating to the foregoing.

Without limiting the above, the term "Environmental Laws" shall also include the following:

(a) The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq. ("CERCLA");

(b) The Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq. ("RCRA");

(c) The Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. §§ 11001 et seq.;

(d) The Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.;

(e) The National Environmental Policy Act, 42 U.S.C. §§ 4321 et seq.;

(f) The Occupational Safety and Health Act, 29 U.S.C. §§ 651 et seq.;

(g) The California Occupational Safety and Health Act of 1973, Lab. Code §§63000 et seq.;

(h) The Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq.;

(i) The Endangered Species Act, 16 U.S.C. §§ 1531 et seq.;

(j) The Clean Water Act, 33 U.S.C. §§ 1251 et seq.;

(k) The Clean Air Act, 42 U.S.C. §§ 7401 et seq.;

(l) The Federal Water Pollution Control Act, as amended by the Clean Water Act, 33 U.S.C. §§ 1251 et seq.;

(m) The Oil Pollution Act, 33 U.S.C. §§ 2701, et seq.;

(n) The Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq.;

(o) The Federal Safe Drinking Water Act, 42 U.S.C. §§ 300 et seq.;

(p) The Federal Radon and Indoor Air Quality Research Act, 42 U.S.C. §§ 7401 et seq.;

(q) The Fish and Wildlife Coordination Act, 16 U.S.C. §§ 661 et seq.;

(r) The Coastal Zone Management Act, 33 U.S.C. §§ 1451 et seq.;

(s) The Rivers and Harbors Act of 1899, 33 U.S.C. §§ 401 et seq.;

(t) The Migratory Bird Treaty Act, 16 U.S.C. §§ 703 et seq.;

(u) The Marine Mammal Protection Act, 16 U.S.C. §§ 1361 et seq.;

(v) Section 4f of the Department of Transportation Act, 49 U.S.C. § 303;

(w) The National Historic Preservation Act, 16 U.S.C. § 470;

(x) 33 C.F.R. §§ 114 and 125;

(y) The California Environmental Quality Act, §§ 21000 et seq. of the California Public Resources Code;

(z) The California Clean Air Act of 1988, §§ 39000 et seq. of the California Health and Safety Code;

(aa) The California Porter-Cologne Water Quality Act, §§ 13000 et seq. of the California Water Code;

(bb) The California Coastal Act, §§ 30000 et seq. of the California Public Resource Code;

(cc) The Integrated Waste Management Act, §§ 40000 et seq. of the California Public Resources Code;

(dd) The California Safe Drinking Water and Toxic Enforcement Act, §§ 25249.5 et seq. of the California Health and Safety Code;

(ee) The California Hazardous Waste Control Act, Chapter 6.5 of Division 20 of the California Health and Safety Code, §§ 25100 et seq.;

(ff) The California Hazardous Substance Account Act, the California Health and Safety Code, §§ 25330 et seq.;

(gg) Health and Safety Code §§ 25280 et. seq. (Underground Storage of Hazardous Substances);

(hh) The California Hazardous Waste Management Act, the California Health and Safety Code §§ 25170.1 et seq.;

(ii) Health and Safety Code §§ 25501 et. seq. (Hazardous Materials Response Plans and Inventory);

(jj) Fish and Game Code §§ 1600 et seq., §§ 1360 et seq., §§ 2050 et. seq., and §§ 2080 et seq., and

(kk) California Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act, all as amended.

Equipment means all equipment, supplies, materials, tools, and spare parts required for performance of the Toll Services.

Equity Member means (a) each entity with a direct equity interest in the Proposer (whether as a member, partner, joint venture member, or otherwise), and (b) each entity proposed to have a direct equity interest in TSP.

Error means an error, omission, inaccuracy, deficiency or other defect.

Escalation Factor has the meaning given in Section 3.2.4(b).

ETC Site Commissioning Test means the test of all the installed ETC subsystem in accordance with TP Section 5.4.4.

ETC Software means the Software that enables computers, servers, and other computing Hardware to perform the Toll Services associated with the ETC which requires such Hardware.

ETC System has the meaning given in TP Section 7.1.

Event Transaction means any data produced by the TCS or an operator that describes the status of the Hardware, Software and any processes within the TCS. An Event Transaction provides data that can be used to determine the operational status of the system including any errors, outages or faults.

Excusable Delay means each of the following events:

(a) material changes to the TPs necessary to conform the Toll Services to RCTC-approved material changes in the DB Work from the Effective Date; or material changes in the TPs related to the 91 EL Transition Work following issuance of NTP3 and directed, in writing, by Agencies, to the extent such changes impact the Critical Path;

(b) Change in Law that (i) requires a material modification in the design of the D&D Work; or (ii) result in imposition of material additional mitigation requirements for the Toll Services due to impacts on archaeological, paleontological, biological or cultural resources;

(c) court orders which enjoin, restrain or stay performance of the D&D Work or which directly impose or require changes in the D&D Work or the Project Schedule (as it relates to the D&D Work);

(d) subject to TSP complying with all obligations under Sections 4.2, 7.3, 8.6 through 8.8, delay by the DB Contractor in achieving any Package Turnover Deadline by the Package Turnover Date which reduces the minimum timeframe for TSP to complete the applicable Package set out in Section 8.8.8; subject to Section 20.10.3, a Department-Caused Delay; RCTC or OCTA-Caused Delay;

(e) subsurface conditions existing at the Site which differ materially from any conditions specified in the information made available to TSP by RCTC prior to the Effective Date and which could not have reasonably been anticipated by TSP as of the Effective Date in the exercise of Good Industry Practice as a result of the review and due diligence conducted by TSP; a binding decision of a court of competent jurisdiction in relation to Claims relating to the RFID Patent which has a material adverse impact on the performance of the D&D Work relating to interoperability and integration of the TCS with 6C; and

(f) a change in Referenced Standards that TSP is required to implement by Agencies in accordance with Section 1.6.2 that materially modifies or impacts the TPs, Business Rules (except for those items that are Configurable), or the approved Plans.

Existing Department ROW means the real property, currently owned by Department, which RCTC intends to make available for permanent improvements included in the Project which is shown graphically in the ROW Acquisition Maps. The limits of Existing Department ROW permitted for use for the Project will be (a) all real property shown in layer A of the "Approximate Department ROW Limits" in TP Attachment 19-2; and (b) all real property 10 feet within the boundary line shown in layer B of the "Approximate Department ROW Limits" shown in TP Attachment 19-2.

Expiry Date means the earlier of:

(a) the last day of the O&M Term; and

(b) any date upon which this Contract is terminated in accordance with this Contract.

Express Lane means a travel Lane or shoulder that passes through a Segment that shall be equipped with ETC equipment and has all necessary Hardware, and Software to meet all requirements of the ETC System.

Express Lanes Performance Monitoring Plan means the approved plan prepared by TSP detailing the management, monitoring and reporting of Dynamic Pricing and performance of the ELs as described in TP Section 2.15.

Factory Acceptance Test(ing) means the test(ing) performed by TSP to verify that functional elements of the TCS are in conformance with the Technical Provisions.

Federal Requirements means the provisions required to be part of federal-aid construction contracts, including Exhibit 5.

Final Design Document means the design documents updated from the CDR as described in TP Section 4.5.

Final Design Review means the review of the Final TCS Design Document as specified in TP Section 4.5.

Final Payment means final payment by RCTC with respect to either the D&D Work or the O&M Work and final payment by OCTA with respect to the O&M Work in accordance with Section 18.6 or Section 18.10 (as applicable).

Financial Control Plan means the approved plan prepared by TSP documenting the internal controls in place for the tracking, reconciliation, and audit of all Transactions associated with the TCS as specified in TP Section 8.8.3.1.

Financial Transaction means financial data related to the credits, debit, adjustments and reversals made within the TCS and made by any external service provider.

Financing Entities means shall the financial institution(s) and federal agencies (including their respective agents and participants) providing RCTC with construction, term and/or equity financing or refinancing with respect to the I-15 Express Lanes Project or any activity related thereto, including any financial institution(s) (including their agents or participants) providing any credit enhancement and/or liquidity with respect to or financing (including interest rate swap or cap agreements) to pay interest on or to repay bonds, notes or other obligations issued to finance design and construction of the I-15 Express Lanes Project. In the event that financing is provided through means other than a credit-enhanced or equity facility, the term "Financing Entities" shall include the bond trustee (including successors thereto and co-bond trustees), paying agent or other designated representative of the bondholders. TSP is specifically excluded from the term.

Fiscal Year means the RCTC adopted financial calendar, July 1 through June 30, or any other consecutive 12-month period selected by TSP and approved by Agencies.

Float means generally the difference between early completion times and late completion times for activities as shown on the Project Schedule, and shall include any float contained within an activity as well as any period containing an artificial activity (that is, one which is not encompassed within the meaning of “work”).

Force Majeure Event means any of the events listed in clauses (a) through (f) below, subject to the exclusions listed in clauses (i) through (vii) below, which materially and adversely affects TSP’s obligations under this Contract:

(a) any earthquake, tornado or other natural disaster;

(b) any epidemic, blockade, rebellion, terrorism, war, riot, act of sabotage or civil commotion;

(c) any spill of Hazardous Material by a third party which occurs after the date upon which NTP1 was issued and is required to be reported to a Governmental Entity and which renders use of the roadway or construction area unsafe absent assessment, containment and/or remediation;

(d) issuance of a temporary restraining order or other form of injunction by a court that prohibits prosecution of a material portion of the Toll Services, except to the extent in connection with the delay, act, omission, negligence, willful misconduct, recklessness or breach of contract or Governmental Rule by any of TSP-Related Entities;

(e) a traffic incident caused by Agencies or a third party that causes physical damage to the O&M Work or Toll Infrastructure; and

(f) from and after TCS Acceptance, malicious or other acts by third parties that TSP is not required to control or supervise causing physical damage or similar occurrence to the O&M Work or Toll Infrastructure, including intentional acts of sabotage.

"Force Majeure Event" excludes:

(i) any fire or other physical destruction or damage, or delays to the Toll Services which occur by action of the elements, including lightning, explosion, drought, rain, flood, snow, storm, except as specified in clause (a);

(ii) except as provided in clause (e), malicious or other acts intended to cause loss or damage or other similar occurrence, including vandalism or theft;

(iii) any strike, labor dispute, work slowdown, work stoppage, secondary boycott, walkout or other similar occurrence; the suspension, termination, interruption, denial, failure to obtain, non-renewal or change in any requirements of any Governmental Approval, except for any such matter falling within the scope of clause (d);

(iv) any increased costs or delays related to failure to obtain any approval, work or other action from a Utility owner;

(v) the presence at, near or on a Site, as of the date upon which NTP1 is issued, of any Hazardous Material, including substances disclosed in documents made available or provided to TSP by RCTC prior to the date upon which NTP1 is issued, as well as any substances contained in any structure required to be demolished in whole or in part or relocated as part of the work;

(vi) any TSP Release of Hazardous Materials; and

(vii) any matters not caused by Agencies or beyond the control of Agencies and not listed in clauses (a) through (f).

Freeway Service Patrol means a joint program provided by the California Highway Patrol and RCTC. The FSP program is a free service of tow trucks that patrol designated routes on congested urban California freeways.

Further Repair Period has the meaning given in TP Section 13.5.

General Purpose Lane means all mixed-flow travel Lanes and auxiliary Lanes on State Route 91 or Interstate 15 (as applicable), excluding the Express Lanes.

Generally Accepted Accounting Principles means such accepted accounting practice as, in the opinion of the accountant, conforms at the time to a body of generally accepted accounting principles.

Good Industry Practice means the exercise of the degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from time to time from a skilled and experienced professional systems integrator, engineer, constructor, installer, toll collection and violations enforcement operator or maintenance provider seeking in good faith to comply with its contractual obligations, complying with all applicable Governmental Rules and Governmental Approvals, using accepted systems design, integration, configuration, installation, deployment, testing, commissioning, construction and maintenance standards, and toll collection and violations enforcement standards, processes, procedures and criteria normally used on similar projects in the United States, and engaged in the same type of undertaking in the United States under similar circumstances.

Governmental Rule means any statute, law, regulation, ordinance, rule, judgment, order, decree, permit, concession, grant, franchise, license, agreement, directive, guideline, policy requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Entity, which is applicable to the Toll Services or the Site, including Environmental Laws.

Governmental Approval means any permit, license, consent, authorization, waiver, variance or other approval, guidance, mitigation agreement, or memoranda of agreement/understanding, and any amendment or modification of any of them provided by Governmental Entities including State, local, or federal regulatory agencies, agents, or employees, which authorize the Toll Services, but excluding any such approvals given by or required from any Governmental Entity in its capacity as a Utility owner.

Governmental Entity means any federal, State or local government and any political subdivision or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or entity other than Agencies.

Graphical User Interface means a software screen and menu representation that allows users to input, retrieve, add, and change data.

Gross Revenues means all revenues from whatever source received or collected, or caused to be collected, by TSP as agent for each Agency under this Contract, including all revenues and receipts from users of I-15 Express Lanes Project and 91 Express Lanes (e.g. collections from AVI users, deposits for transponders, daily toll collections, collections of fees, and of fines and penalties from violators). Gross Revenues include unearned revenues received as prepaid amounts for customer accounts.

Guarantor means Kapsch TrafficCom AG**,** or any other party who provides a guaranty with respect to TSP's obligations under this Contract.

Hardware means the physical, tangible and permanent components of the TCS.

Hazardous Materials means (i) any chemical, material or substance at any time defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "bio-hazardous waste," "pollutant," "toxic pollutant," "contaminant," "restricted hazardous waste," "infectious waste," "toxic substance," or any other term or expression intended to define, list or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment (including harmful properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "TCLP" toxicity" or "EP toxicity" or words of similar

import under any applicable Environmental Laws); (ii) any oil, petroleum, petroleum fraction or petroleum derived substance; (iii) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (iv) any flammable substances or explosives; (v) any radioactive materials; (vi) any asbestos-containing materials; (vii) urea formaldehyde foam insulation; (viii) electrical equipment which contains any oil or dielectric fluid containing polychlorinated biphenyls; (ix) pesticides; and (x) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Entity or which may or could pose a hazard to the health and safety of the owners, operators, users or any Persons in the vicinity of the Toll Services or to the indoor or outdoor environment.

Hazardous Materials Management means sampling, stock-piling, storage, backfilling in place, asphalt batching, recycling, assessment, containment, treatment, clean-up, remediation, transportation and/or off-site disposal of Hazardous Materials, whichever is the most cost-effective approach authorized under applicable Governmental Rule.

Hazardous Materials Management Plan means TSP's approved Plan for Hazardous Materials Management if Hazardous Materials or recognized Potential Environmental Conditions are encountered.

HM-1 means Hazardous Material that may require removal and disposal in accordance with Governmental Rules, whether disturbed by the Toll Services or not.

HM-2 means Hazardous Material that may require removal and disposal in accordance with Governmental Rules only if disturbed by the Toll Services.

Holiday means the holidays listed in the table in TP Section 8.2.2.2.

Host means the portion of the TCS that receives and processes data to form transactions, assign toll rates, determine pricing, build Trip Transactions, and report on TCS data. The Host includes the TCS and user interfaces with Agencies' systems and system and user interfaces with third party systems. The Host also includes all functions to support the CSC including user interfaces for customer service representatives, QA/QC, reporting, account management, and other functions. There are Hosts for both ETC and CSC.

I-15 Corridor means Interstate-15, generally between the I-15 / Cajalco Road interchange and the I-15 / State Route 60 interchange through the cities of Corona, Norco, Eastvale, Jurupa Valley, and portions of unincorporated Riverside County.

I-15 Express Lanes Project means the design, construction, operation and maintenance of civil infrastructure and a toll collection system, customer service system and traffic management system for one to two tolled express lanes in each direction within the I-15 Corridor.

Image Based Transaction means any Lane Transaction with which the Lane Controller does not associate a valid transponder. The Lane Transactions will go through Trip Building and the resulting Image Based Transaction will post to an account in accordance with the Business Rules.

Incident Management Plan means the plan in TP Section 2.14.
Indemnified Claim has the meaning given in Section 26.1.1.

Indemnified Parties means RCTC, the members of RCTC's Commission, OCTA, the members of OCTA, the PCM, Department, City of Corona, City of Norco, City of Eastvale, City of Jurupa Valley, County of Riverside and their respective officers, directors, board members, employees, consultants, representatives and agents, or each of them as the context requires.

Individual Test Plans means the approved description of the scope, approach, resources, and schedule of intended testing activities, including test items, the features to be tested, the testing procedures and set of execution conditions, predicted results, and any risks requiring contingency planning for each of the major tests, including the ETC FAT, OFIT, ETC Site Commissioning Test, CSC FAT, CSC Installation Test, CSC System Commissioning Test, TCS Disaster Recovery and Back-up Test, TCS Operations Test, TCS Acceptance Test and Annual Renewal Test.

Installation Drawings means the TCS installation drawings to be provided to the DB Contractor for submission to RCTC and to the Department in accordance with TP Section 4.6.2

Installation Plan means the approved plans prepared by TSP detailing the sequence and schedule for installation of the roadside portions of the ETC and TCS as described in TP Section 4.6.1.

Intellectual Property means all current and future legal and/or equitable rights and interests in know-how, patents (including applications), copyrights (including moral rights), trademarks (registered and unregistered), service marks, trade secrets, designs (registered and unregistered), utility models, circuit layouts, plant varieties, business and domain names, inventions, solutions embodied in technology, and other intellectual activity, and applications of or for any of the foregoing, subsisting in or relating to the Site, the Toll Services or the Toll Services design data. Intellectual Property includes Software and Software Source Code used in connection with the Toll Services. Intellectual Property is distinguished from physical embodiment of, and documentation disclosing, Intellectual Property.

Interface Control Document means a document that defines the file formats and related business rules for exchanging or processing data between two or more interfacing systems as described in TP Section 6.1.

Interface Testing means testing performed by TSP to verify establishment of communications as well as operational processing with each of the required interfaces, both internal and external.

Internet Protocol a communications protocol for computers connected to a network, especially the internet, specifying the format for addresses and units of transmitted data.

Investigative Review means a review initiated at a Violators request and conducted by TSP of CSC and ETC System records and the materials provided by the Violator. The review shall be conducted in accordance with CA Vehicle Code 40255 and result in a determination of whether TSP is satisfied that the Violation did not occur or that the alleged Violator was not responsible for the Violation.

Key Performance Indicators or KPIs means requirements of the Technical Provisions with respect to which TSP's performance is measured and reported on a regular basis and which subject TSP to the imposition of Performance Liquidated Damage or Performance Stipulated

Damages for failures to meet the specified minimum standards for performance, as set forth in the KPI Table.

Key Personnel means those TSP personnel positions specified in Exhibit 2, as amended from time to time in accordance with Section 15.6.

Key Personnel Liquidated Damages means the amount(s) that TSP is required to pay to Agencies in accordance with Section 15.7.

KPI Reporting and Management Plan means the approved plan prepared by TSP detailing the management of KPIs as described in TP Section 2.16.

KPI Table means the table set forth in TP Section 19-4, Table 19-2, "Key Performance Indicators".

Lane means any traffic lane including main lanes, ramps, direct connectors, frontage roads and cross roads.

Lane Closure means a Permitted Lane Closure or an Unpermitted Lane Closure, or both, as the context requires.

Lane Closure Charges means the liquidated damages and/or Stipulated Damages described in Section 11.1 as owing from TSP to an Agency for Lane Closures.

Lane Closure Charts means TP Attachment 19.5.

Lane Controller means the component of the TCS that manages and automates the real-time control of Read Point equipment and receives data from related equipment, systems and subsystems.

Lane Mode means the lane modes described in TP Section 7.6.

Lane Transaction means a uniquely identified record of activity, including transponder reads, license plate images, and other event data created as a result of a vehicle traveling through a Read Point.

Lien means any pledge, lien, security interest, mortgage, deed of trust or other charge or encumbrance of any kind, or any other type of preferential arrangement (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature of a security instrument and the filing of or agreement to file any financing statement under the Uniform Commercial Code of any jurisdiction).

Line Items means the itemized line item Costs listed in the individual Price Sheets in

Exhibit 3.

Liquidated Damages means Delay Liquidated Damages, Performance Liquidated Damages, Performance Stipulated Damages, Key Personnel Liquidated Damages, Lane Closure Charges and any other liquidated damages payable under this Contract, or each of them as the context requires.

Losses includes any loss, damage (including personal injury, property damage and natural resource damages), injury, expense, compensation, debt, obligation, charge, liability, cost, expense (including attorneys' fees, expert witness fees and expenses, deductibles or increased premiums (including those incurred in connection with the enforcement of any provision of this Contract)), fee, charge, demand, investigation, proceeding, action, suit, claim, judgment, penalty, fine or Third Party Claims, actual, prospective or contingent and whether or not currently ascertainable .

Lump Sum means a single price for the Work specified in a Line Item of the Price Sheets and the related Technical Provisions for such Work.

Mail Date means the date that a notice or correspondence is delivered to the United States Postal Service (USPS) for sending.

Maintenance Online Management System (MOMS) means an automated, fully integrated system that monitors the status of operational equipment in real-time, records equipment and process failures, notifies maintenance personnel, generates and tracks work orders, maintains preventative maintenance schedules, generates repair history, provides alerts for hot listed vehicles, maintains parts inventory and asset management, and allows communication between TSPs and Agencies.

Maintenance Payment Bond has the meaning given in Section 16.1.5(b).

Maintenance Performance Bond has the meaning given in Section 16.1.5(a).

Maintenance Plan means the written maintenance plan that details how maintenance activities will be performed including a plan for preventive maintenance and a preventive maintenance schedule and is developed by TSP and approved by Agencies as provided in TP Section 16.1.

Maintenance Work means all Work (including preventive maintenance, routine maintenance and making all adjustments, repairs, overhauls, rehabilitations and replacements) required to maintain and keep the TCS operational to collect revenue and in good working order for the duration of the O&M Term and to ensure the TCS meets the KPIs, including all labor, management, supervision, Equipment, tools, Software, licenses, utilities, transportation and other facilities (including the TCS) and services and efforts necessary for such Work, as well as the TSP Insurance and the Payment Bond and Performance Bond obligations required under this Contract, including all repairs to the pavement necessitated by TSP's sensor maintenance and repair activities, and maintenance of the ROC.

Major Subcontract each contract entered into between TSP and a Major Subcontractor.

Major Subcontractor means:

(a) The lead toll lane system provider;

(b) The lead toll lane system installer;

(c) The lead CSC provider;

(d) The lead CSC operator;

(e) The Dynamic Pricing system provider; and

(f) Each other Subcontractor that will perform work valued at 10% or more of the Toll Services.

Margin means any amount on account of off-site and on-site overheads and administrative, general administrative, corporate and other like costs and profit.

Master Test Plan means the approved plan prepared by TSP establishing the systemwide framework for testing activities by integrating functional, system, and performance of TCS components, subsystems, interfaces, and the overall TCS, as specified in TP Section 5.2.

Minor Revisions means changes that are primarily aesthetic in nature, do not involve material changes in system or database architecture, and are not based on Technical Provisions for the Configuration Work or statutory and non-discretionary standards relating to public health, safety and welfare. Minor Revisions include changes or additions to Configurable Business Rules, Configurable Parameters, configurable logic, display items that can be derived from already captured data, and screen and report layouts, data inclusions, title, colors, graphics and fonts.

Monthly Progress Schedule means the monthly schedules specified in TP Section 2.6.4.3.

National Change of Address Service means the United States Postal Service product provided to service providers and mailers to provide update and accurate addresses for individuals, and businesses.

National Electric Safety Code means the model code covering the installation of electrical conductors, equipment, and raceways; signaling and communications conductors, equipment, and raceways; and optical fiber cables and raceways published by the IEEE Standards Association.

National Electrical Manufacturers Association (NEMA) means the association that defines standards for various grades of electrical enclosures typically used in industrial applications. Each is rated to protect against designated environmental conditions. A typical NEMA enclosure might be rated to provide protection against environmental hazards such as water, dust, oil, coolants, or atmospheres containing corrosive agents. A full list of NEMA enclosure types is available at http://www.nema.org.

Noncompliance O&M Event means (a) any Priority O&M Event which is not Responded to within the applicable Response Time or Repaired within the applicable Repair Time or (b) any failure to meet any KPI for which there is no Response Time or Repair Time in the KPI Table.

Nonconformance means:

(a) any aspect of the Toll Services which does not comply with this Contract; or

(b) any fault, or omission in the TCS that is not consistent, or is incompatible with, its age, function, performance and use when properly maintained in accordance with Good Industry Practice and this Contract.

Non-Disclosure and Confidentiality Agreement means a non-disclosure agreement in the form of Exhibit 23.

Notice or (Notify) has the meaning given in Section 31.11.1.

Notice of CSC Commencement means a Notice from RCTC to TSP establishing the CSC Commencement Date in accordance with Section 8.11.3(i) and the date on which TSP will begin CSC Commencement Period Toll Services in accordance with TP Section 8.2.1.1.

Notice of Delinquent Toll Evasion Violation (NDTEV) has the meaning specified in TP Section 8.7.4.2.

Notice of Revenue Service Commencement means a Notice from RCTC to TSP establishing the Revenue Service Commencement Date and the date on which tolling will commence in accordance with Section 8.13.2(c)(i).

Notice of Toll Evasion Violation (NTEV) has the meaning specified in TP Section 8.7.4.2.

Notice to Proceed or NTP means Notice to Proceed 1 (NTP1),Notice to Proceed 2 (NTP2), or Notice to Proceed (NTP3) as the context requires.

Notice to Proceed 1 or NTP1 means the Notice issued by RCTC to TSP authorizing TSP to proceed with Work in accordance with Section 6.2.

Notice to Proceed 2 or NTP2 means the Notice issued by RCTC to TSP authorizing TSP to proceed with Work in accordance with Section 6.4.

Notice to Proceed 3 or NTP3 means the Notice issued by Agencies to TSP authorizing TSP to proceed with Work in accordance with Exhibit ___.

NTP1 Work means the preparation, delivery and approval in accordance with the Submittal Process and prior to NTP2 of the (i) Preliminary Baseline Schedule, (ii) Project Management Plan, (iii) Quality Management Plan (D&D Work and O&M Work), (iv) Document Control System, (v) Document Control Work Plan, (vi) Baseline Schedule, (vii) Monthly Progress Schedule, (viii) Four Week Look-Ahead Schedule, (ix) Health and Safety Plan, (x) DBE Program Performance Plan, and (xi) TCS Infrastructure Design Document as described in TP Section 4.2.

NTP1 Work Completion Deadline means the date on which RCTC is prepared to issue NTP2, or on which RCTC otherwise would be prepared to issue NTP2 but is unable to do so due to an act or omission of a TSP-Related Entity or any TSP Fault.

NTP2 Work means the D&D Work excluding the NTP1 Work.

NTP3 Work means the 91 EL Transition Work to be completed in accordance with Exhibit ___

O&M Monthly Progress Report means a single monthly submission and compilation of all monthly reports required by the TPs and Contract during the O&M Phase for use in review of KPIs and at monthly meetings.

O&M Priority 1 has the meaning given in TP Section 16.16.

O&M Priority 2 has the meaning given in TP Section 16.16.

O&M Priority 3 has the meaning given in TP Section 16.16.

O&M Quality Manager means the individual responsible for TSP's overall QA/QC program for O&M Work.

O&M Relief Events means any of the following events:

(a) Agencies Directive Letter issued that relates to a Change or Agencies -Initiated Change Order;

(b) Emergencies during the O&M Term;

(c) Changes in Law impacting the O&M Work that materially modify or materially impact the TPs, Business Rules, or the approved Plans;

(d) a binding decision of a court of competent jurisdiction in relation to Claims relating to the RFID Patent which has a material adverse impact on the performance of the O&M Work relating to interoperability and integration of the TCS with 6C;

(e) commercially unreasonable lease terms for the ROC having a material adverse impact on the performance of the O&M Work, which a party experienced and competent in the provision of services similar to the O&M Work would not have reasonably foreseen or anticipated prior to the Effective Date;

(f) a change in Referenced Standards that TSP is required to implement by Agencies in accordance with Section 1.6.2 and which materially modify or materially impact the TPs, Business Rules (except for those items that are Configurable), or the approved Plans; and

(g) court orders which enjoin, restrain or stay performance of the O&M Work or which directly impose or require changes in the O&M Work.

O&M Term means the term of the Contract, commencing on the Effective Date, and continuing in effect through April 31, 2041. Notwithstanding the foregoing, the O&M Work for the 91 Express Lanes shall not commence until the 91 EL Go Live Date.

O&M Work means the Maintenance Work and the Toll Operations, or either of them, as the context requires.

Occupancy Detection Review means manual review of images and data produced by the ODS.

Occupancy Detection System means the TCS subsystem that automatically detects the occupancy in a vehicle for use of verifying transponder switch settings in accordance with TP Section 7.2.7.

Office Safety Plan means the approved plan prepared by TSP describing policies, plans, training programs, emergency response plans and enforcement of safety throughout the O&M Term in accordance with TP Section 2.7.3.1.

Onsite First Installation Test (OFIT) means verification of proper system operation and functional elements in compliance with the requirements of the Contract with test vehicles while operating the first installed site equipment with the Host. Test objectives are similar to the Factory Acceptances Tests.

Open-Book Basis means providing Agencies all underlying assumptions, price quotes and data associated with pricing or compensation (whether of TSP or Agencies) or adjustments, including assumptions as to costs of the Toll Services, schedule, composition of Equipment spreads, Equipment rates, labor rates, productivity, estimating factors, design and productivity allowance, contingency and indirect costs, risk pricing, discount rates, interest rates, payroll, procurement and purchasing records and subcontractor invoices and other items reasonably required by Agencies to satisfy themselves as to the reasonableness and accuracy of the amount.

Operations Plan means the approved plan prepared by TSP documenting the approach to all aspects of the operation of the TCS as specified in TP Section 2.10.

Operations Tests means performance tests that TSP is required to successfully conduct before the Revenue Service Commencement Date in accordance with TP Section 5.6.3.

Optical Character Recognition means a software process that automatically recognizes license plate characters without requiring human intervention and which, in this application, extracts and provides the license plate numbers and jurisdiction from the image of the license plate.

OCTA means the Orange County Transportation Authority, a public entity of the State.

Other Agency Contractor means a contractor under contract to RCTC to design, build, operate and/or maintain any part of I-15 Express Lanes Project or adjacent roadway, including the DB Contractor which for the avoidance of doubt excludes BNSF, or a contractor under contract to RCTC or OCTA for work related to the 91 Express Lanes.

Other Agency Contractor Work has the meaning given in Section 4.2.1.

Package means each of Package 1, Package 2, Package 3, Package 4 or all of them as the context requires.

Package 1 means one Turnover Area determined by the DB Contractor in accordance with Sections 8.8.3 and 8.8.4.

Package 1 Turnover means the stage in the DB Work under the DB Contract where Package Turnover has been achieved for Package 1.

Package 1 Turnover Date means the date on which Package 1 Turnover is achieved.

Package 1 Turnover Deadline means the anticipated date180 days prior to the Substantial Completion Deadline and confirmed by Notice from the DB Contractor under Section 8.9.

Package 2 means three Turnover Areas determined by the DB Contractor in accordance with Sections 8.8.3 and 8.8.4.

Package 2 Turnover means the stage in the DB Work under the DB Contract where Package Turnover has been achieved for Package 2.

Package 2 Turnover Date means the date on which Package 2 Turnover is achieved.

Package 2 Turnover Deadline means the anticipated date 120 days prior to the Substantial Completion Deadline and confirmed by Notice from the DB Contractor under Section 8.9.

Package 3 means two Turnover Areas determined by the DB Contractor in accordance with Sections 8.8.3 and 8.8.4.

Package 3 Turnover means the stage in the DB Work under the DB Contract where Package Turnover has been achieved for Package 3.

Package 3 Turnover Date means the date on which Package 3 Turnover is achieved.

Package 3 Turnover Deadline means the anticipated date 90 days prior to the Substantial Completion Deadline and confirmed by Notice from the DB Contractor under Section 8.9.

Package 4 means two Turnover Areas determined by the DB Contractor in accordance with Sections 8.8.3 and 8.8.4.

Package 4 Turnover means the stage in the DB Work under the DB Contract where Package Turnover has been achieved for Package 4.

Package 4 Turnover Date means the date on which Package 4 Turnover is achieved.

Package 4 Turnover Deadline means the anticipated date 60 days prior to the Substantial Completion Deadline and confirmed by Notice from the DB Contractor under

Package Turnover means, for each Package, the stage in the DB Work where DB Contractor has completed design and construction of the following elements:

(i) infrastructure for the Read Point, including gantry, pads, conduit, power and communication to support AVI, LPR, beacons, and all ETC components;

(ii) 3000-foot long paved and striped ELs section including the shoulders, 2 ELs, and 2-foot wide buffer to perform drive tests for each of the relevant Turnover Area(s) with the toll gantry approximately centered within the 3000-foot long section;

(iii) infrastructure for CCTV, CMS and Traffic Monitoring Station, including poles, pads, conduit, power and communication;

(iv) infrastructure for VTMS, including poles, pads, conduit, power and communication and the installation of signs;

(v) communications (temporary or otherwise) from the relevant Turnover Area(s) to the ROC;

(vi) commercial power to all of the infrastructure within the relevant Turnover Area(s) and other TCS equipment locations applicable to the Turnover Areas;

(vii) in the case of Package 4 Turnover only, a fully tested Fiber Optic Backbone Communication Network from the I-15 Corridor to the ROC junction box, ELs paved and striped end to end (including the shoulders, 2 ELs, and 2-foot wide buffer), bridge structures and any remaining DB Civil Toll Infrastructure elements on the I-15 Corridor; and

(viii) all other requirements set out in the DB Contract for each Package.

Package Turnover Checklist means a checklist completed by RCTC and TSP in their inspection of a Package Turnover Area to determine whether Package Turnover is achieved.

Package Turnover Date means each of the Package 1 Turnover Date, the Package 2 Turnover Date, the Package 3 Turnover Date and the Package 4 Turnover Date, or all of them as the context requires.

Package Turnover Deadline means each of the Package 1 Turnover Deadline, the Package 2 Turnover Deadline, the Package 3 Turnover Deadline and the Package 4 Turnover Deadline, or all of them as the context requires.

Package Turnover Delay means, subject to TSP complying with all obligations under Sections 4.2, 7.3, 8.8 and 8, delay by the DB Contractor in achieving any Package Turnover Deadline by the Package Turnover Date which would cause the period allotted for TSP's performance of its work specified in Section 8.8.8 to extend past the Revenue Service Commencement Deadline.

Party means TSP, RCTC or OCTA, as the context may require, and **Parties** means TSP, RCTC and OCTA, collectively.

Pass-Through Cost Items means those items and categories of items specified in Exhibit 7.

Payment Bond has the meaning given in Section 16.1.4.

Payment Milestone means each set of completed D&D Work for which TSP may submit an invoice to RCTC, as specified in Exhibit 19.

PCI Data Security Standard (PCI DSS) means the guideline to help organizations that process card payments prevent credit card fraud, hacking, and various other security vulnerabilities and threats. A company processing, storing, or transmitting payment card data must be PCI DSS compliant and will be audited to ensure compliance. Failure to meet PCI Data Security Standards can lead to loss of ability to process credit card payments and fines. PCI DSS can be found at: https://www.pcisecuritystandards.org

Performance Bond has the meaning given in Section 16.1.3.

Performance Liquidated Damages means the amount specified in the KPI Table with respect to each applicable Priority O&M Event or Noncompliance O&M Event.

Performance Stipulated Damages means an amount to be calculated by Agencies in accordance with Section 11.6 with respect to State Route 91 or the Interstate 15 (as applicable).

Permanent Repair means Repair where a Temporary Repair has been permitted and carried in accordance with TP Section 16.16.

Permitted Lane Closure means (1) a full or partial closure of any portion of a General Purpose Lane or Express Lane by TSP in connection with Toll Services, or (2) ingress to or egress from a General Purpose Lane or Express Lane is completely or partially blocked by TSP in connection with the Toll Services, and which is approved in advance by the applicable Agency in accordance with TP Section 4.7.2 and occurs wholly within the time period set out in TP Attachment 19.5.

Persistent Breach means (i) if a Tolling Zone fails to meet or exceed any one or more of the KPIs defined in TP Table 19-2 with respect to any Mission Critical TCS each day for more than 5 consecutive days, with compliance measured on a daily basis, or each day for more than 10 (consecutive or non-consecutive) days in any calendar quarter (3 month period), with compliance measured on a daily basis, or (ii) if a Tolling Zone fails to meet or exceed any one or more of the KPIs with respect to any other matter, function or system that is not a Mission Critical TCS each day for more than 10 consecutive days, with compliance measured on a daily basis, or each day for more than 15 (consecutive or nonconsecutive) days in any calendar quarter (3 month period), with compliance measured on a daily basis.

Person means any individual, corporation, joint venture, limited liability company, company, voluntary association, partnership, trust, unincorporated organization or Governmental Entity.

Personally Identifiable Information (PII) means information that identifies an individual who is a patron of the I-15 ELs and/or the 91 ELs and that must be protected from disclosure under California Streets and Highways Code Section 31490 and other applicable laws, including any information collected or received from or about any person who is assessed a toll, including things such as names, addresses, Social Security numbers, e-mail addresses, telephone numbers or other contact information, payment information, financial profiles, credit card information, driver's license numbers, license plate numbers, law enforcement records, trip data and any other information that relates to any of these types of information.

Planned ROW Limits means (a) Existing Department ROW, (b) permanent easements within BNSF property that RCTC intends to acquire and make available for the Project shown in Layer C of the "Approximate Department ROW Limits" in TP Attachment 19-2, and (c) any other real property that RCTC acquires in connection with an RCTC-Initiated Change.

Plans or plans means all Agency-approved plans required to be developed by TSP in accordance with the TPs as prepared and updated in accordance with this Contract.

Pre-Existing Software means all "Pre Existing" Software listed in Exhibit 18, including COTS and TSP's own Software that it owns or has developed as of the date of this Contract and that it intends to use in connection with the Toll Services.

Pre-Existing Works License has the meaning given in Section 29.8.1.

Preliminary Baseline Schedule means the draft project schedule submitted by TSP with the Proposal and included in Exhibit 8.

Preliminary Design Document means the initial design document prepared by TSP describing all the functions, applications, systems, and methods proposed for the I-15 Express Lanes Project as described in TP Section 4.3.

Preliminary Design Review means the review of the preliminary design documents as specified in TP Section 4.3.

Price Proposal means TSP completed Price Sheets submitted with its Proposal and all other components noted as being part of the Price Proposal in the ITP.

Price Sheet means the completed pages of Form J detailing the compensation to be paid to TSP for completing the Toll Services in accordance with Section 18 as included in Exhibit 3.

Priority O&M Event means each of O&M Priority 1, O&M Priority 2 and O&M Priority 3, or all of them as the context requires.

Priority Level means a status established in order of impact to the operation and customer importance or urgency.

Project and Construction Manager means Parsons Transportation Group or such other Person as may be designated by an Agency at any time as its Project and Construction Manager.

Project Intellectual Property means all Pre-Existing Software, Third Party Intellectual Property and Developed Intellectual Property incorporated into the Toll Services.

Project Management Plan means the approved plan prepared by TSP defining the project management effort as specified in TP Section 2.1.1.

Project Schedule means a schedule of activities assigned a duration and sequenced in logical order for undertaking the D&D Work, consistent with the requirements in TP Section 2.6 as prepared and updated in accordance with this Contract.

Proposal means the proposal submitted on the Proposal Date by TSP to RCTC in response to the RFP for the Original Contract.

Proposal Bond means the bond provided as part of TSP's Proposal and increased in accordance with Section 16.1.1.

Proposal Date means the date of the Proposal submitted pursuant to the RFP for the Original Contract, which was October 18, 2016.

Public Records Act has the meaning given in Section 29.6.1.

Punch List means the list of Work remaining to be completed with respect to the ROC, CSC Commencement, Package Turnover or Revenue Service Commencement (as applicable), or the the 91 EL Transition, which shall be limited to items of the applicable Work or RCTC ROC

Responsibilities that are necessary to remedy minor Nonconformances, but which have no material or adverse effect on the use, safety or operability of the Toll Services.

Quality Control means the total of all activities performed by TSP to assess design, deployment, installation, operations and maintenance processes so as to control the level of quality being provided in the end product. Components may include design reviews and checks, establishing procedures, calibrations and maintenance of equipment, shop drawing review, document control, process control, and any sampling, testing, and inspection done for these purposes.

Quality Management Plan means the approved plan, developed by TSP, which identifies TSP's overall framework for implementation of its Quality Assurance/Quality Control program across all aspects of the Work and quality program for the Toll Services, as specified in TP Section 2.4.1.

Radio Frequency Identification means the technology used at the lane level to communicate between a transponder and a roadside reader to identify the transponder's unique identification number and other information from the transponder.

Ramp Up means the six month time period commencing on Revenue Service Commencement.

RCTC means the Riverside County Transportation Commission, a public entity of the State.

Agency-Caused Delays means each of the following events:

(A) Agencies Directive Letter that relates to a Change or Agencies -Initiated Change;

(B) Suspension of D&D Work for convenience ordered under Section 21.1 to the extent such suspension is not attributable to a suspension for cause pursuant to Section 21.2, excluding any suspension which is less than 48 hours or the first 96 hours of any combination of suspensions;

(C) RCTC requires additional testing of the D&D Work beyond that which is required by this Contract and no Nonconformance is detected as a result of such tests;

(D) Failure or inability of Agencies to provide responses to Deliverables and matters for which response is required, within the time periods (if any) indicated in this Contract, or other failure of Agencies to act within a reasonable time period with respect to actions which it is required to take under this Contract, including failure to provide TSP with access to the Site in accordance with the Project Schedule, following delivery of Notice from TSP reasonably requesting such action in accordance with this Contract; and

(E) Uncovering, removing and restoring Work, if such Work exposed or examined is in conformance with this Contract, the Governmental Approvals and applicable Governmental Rule, unless such conforming

Work was performed or materials used without adequate notice to and opportunity for prior inspection by Agencies.

Any suspension of Toll Services arising from litigation shall not be considered an Agency-Caused Delay (although it may qualify as a Force Majeure Event under clause (d) of the definition of "**Force Majeure Event**") despite the fact that Agencies may specifically direct TSP to suspend the Work

Agencies Comments has the meaning given in Section 30.1.3.

Agency-Initiated Changes means any Change in the Toll Services which Agencies have directed TSP to perform or evaluate as described in Section 20.4.

Agency Parties means officers, directors, board members, employees, consultants, representatives and agents of Agency, or each of them as the context requires.

Agencies-Provided Approvals means the following Government Approvals;

(A) For RCTC, Biological Opinion (Federal Endangered Species Act, Section 7) from United States Department of the Interior Fish and Wildlife Services, dated April 20,2016;

(B) For RCTC, Multiple Species Habitat Conservation Plan Consistency Determination (Federal Endangered Species Act, Section 10) from Western Riverside County Regional Conservation Authority, dated April 14, 2016;

(C) For RCTC, Interstate 15 Express Lanes Project Final Initial Study with Mitigated Negative Declaration/Environmental Assessment with Finding of No Significant Impact, dated May 4, 2016; and

(D) For RCTC, RCTC NEPA/CEQA Re-Validation.

(E) Any other approvals to be provided by either Agency, as identified in Exhibit __.

Agency Representative means the Person designated as the applicable Agency's Representative(s) in Exhibit 2 as amended in accordance with this Contract.

RCTC ROC Responsibilities means RCTC's responsibilities specified in TP Section 10.2.1.

Read Point means a location where the TCS detects vehicles, reads transponders, and captures images in order to create Lane Transactions.

Ready for Construction Plans means the last set of Design Builder's 100% final design documents to be submitted to RCTC and Department for approval prior to commencing construction of the I-15 Express Lanes Project elements shown in such plans.

Reasonable Investigation means the following activities by appropriate, qualified professionals prior to the date on which TSP submitted its Proposal:

(a) visit and visual, non-intrusive inspection of the Site and adjacent locations, except areas to which access rights were not made available by the date on which TSP submitted its Proposal;

(b) review and analysis of all Reference Documents;

(c) review and analysis of RCTC-Provided Approvals available prior to the date on which TSP submitted its Proposal;

(d) reasonable inquiry with Utility owners;

(e) review and analysis of Governmental Rules applicable to the Toll Services, as of the Proposal Date; and

(f) other activities sufficient to familiarize TSP with surface and subsurface conditions affecting the Site or surrounding locations; except that none of the foregoing activities includes conducting field studies, geotechnical investigations, or original research of private records not contained or referenced in the Reference Documents or Technical Provisions.

Recommendation has the meaning given in Section 27.3.3.

Recovery Plan means the approved schedule TSP is required to provide under Section 8.5.

Recovery Priority means the level of priority for restoring TCS functions after a catastrophic event. Priority may be modified by the numbers 1, 2 and 3 to represent levels as defined in TP Section 17.2.

Reference Documents means the documents and information included in Volume IV of the RFP, which are located at https://projects.parsons.com/sites/I15/Bidders.

Referenced Standard means any standard applicable to the Toll Services established by reference contained in this Contract to a described publication.

Registered Professional Engineer means a person who is duly licensed and registered by the California Board of Professional Engineers to engage in the practice of engineering in the State.

Regulations has the meaning given in Section 27.6.3

Release of Hazardous Materials means any actual or threatened spill, leak, emission, release, discharge, injection, escape, leaching, dumping or disposal of Hazardous Materials into the soil, air, water, groundwater or environment, including any exacerbation of an existing release or condition of Hazardous Materials contamination.

Relevant Event has the meaning given in Section 19.1.1.

Relevant Event Notice has the meaning given in Section 19.4.1.

Repair means following the occurrence of a Priority O&M Event, remedying the Priority O&M Event in a way that TSP is in full compliance with this Contract.

Repair Time with respect to each Priority O&M Event, the relevant period within which TSP shall Repair a Priority O&M Event as specified in the KPI Table.

Representative means the individuals authorized to make decisions and bind the parties on matters relating to this Contract in accordance with Exhibit 2.

Request for Proposals or **RFP** means the Request for Proposals issued by RCTC on June 10, 2016 with respect to the Toll Services for the Original Contract, including all attachments thereto and any subsequent addenda.

Requirements Trace Matrix means the document developed by TSP that shows how each requirement in the Technical Provisions is being met by the design and how and when each requirement will be tested and/or demonstrated to RCTC as described in TP Section 4.1.

Respond means, following the occurrence of a Priority O&M Event:

(a) restoring the TCS to the condition required by this Contract;

(b) where applicable, restoring the surrounding area to a state or condition such that in the reasonable opinion of the Agency Representative, the area is free of conditions which might otherwise create a safety hazard for drivers, pedestrians or other Customers; and

(c) sufficiently reducing the risk during the Response Time and Repair Time that further damage, nonperformance, safety hazards or adverse consequences caused by the Priority O&M Event might occur.

Response Time means, with respect to each Priority O&M Event, the relevant period within which TSP shall Respond to a Priority O&M Event as specified in the KPI Table.

Revenue Day means the 24-hour toll collection day expressed from 00:00:00 to 23:59:59 in military time.

Revenue Service Commencement means the point at which TSP has satisfied the following conditions precedent to Revenue Service:

(a) TSP, has disposed of all its surplus materials and rubbish, removed all Equipment belonging to TSP, and left the Site and all structures occupied by TSP in a neat, clean and safe condition;

(b) the D&D Work is in a condition to safely commence Revenue Service and safely accept and continue normal, uninterrupted flow of traffic;

(c) TSP has achieved CSC Commencement;

(d) TSP has completed and passed all OFIT testing, Commissioning Testing, On-Site Disaster Recovery and Back Up Test and Operations Test and obtained RCTC's written approval of the test results, and all of the requirements specified in TP Section 5 are satisfied;

(e) TSP has secured and trained all personnel necessary to perform all O&M Work;

(f) TSP has completed all D&D Work in accordance with this Contract with the exception of Punch List items;

(g) TSP has delivered to RCTC all original equipment and manufacturer's warranty certificates covering all Equipment furnished in connection with the D&D Work;

(h) TSP has delivered to RCTC of a final version of all document deliverables required by the TP except for any documents specifically required to be delivered only after the Revenue Service Commencement Date and lapse, without disapproval, of the period for RCTC approval thereof in accordance with the Submittal Process;

(i) TSP has delivered to RCTC all updated Software and all Software Source Code Documentation and receivables, except for with respect to the COTS Software; and

(j) TSP has completed all other Work required under this Contract as a condition of Revenue Service Commencement.

Revenue Service Commencement Date means the calendar date on which TSP achieves Revenue Service Commencement, as certified by RCTC's issuance of a Notice of Revenue Service Commencement.

Revenue Service Commencement Deadline means:

(a) Prior to NTP2, the anticipated date that is 60 days after the Package 4 Turnover Date as set out in the Project Schedule; and

(b) After NTP2, the date for Revenue Service Commencement set out in the Notice under Section 8.3.3.

RFP Documents means all of the information and materials supplied to TSP in connection with the issuance of the RFP, including Instructions to Proposers, this Contract, the Reference Documents and any subsequent addenda.

Right of Way or ROW means the area available to TSP for the performance of the Toll Services.

Roadside Safety Plan means the approved plan prepared by TSP describing policies, plans, training programs, emergency response plans and enforcement of safety for all roadside maintenance activities as specified in TP Section 2.7.3.2.

ROC means the operations center for the Express Lanes that will house the personnel, fixtures, furnishings and equipment (other than roadside equipment), systems and services necessary for the operations and maintenance of the TCS.

ROW Acquisition Maps means the right of way maps included in the Project Schematics.

RTM means a document that is used to ensure the traceability of all TCS requirements with design and testing and assist in verification that the TCS requirements are met.

Savings means the amount of any costs, including any TSP Margin or Margin avoided or otherwise reduced in connection with a Change or Eligible Change.

Segment means a subset of a Corridor that is priced.

Setting Date means the date that is 60 days prior to the Proposal Date.

Sign Controller means the component of the TCS that controls what is displayed on VTMS panels that broadcast tolling information to motorists and manage communications with the Host.

Site means, depending upon the context, the ROW on which any part of the D&D Work, the TCS or the ROC is to be located, and any temporary rights or interests that TSP may acquire at its own cost and expense in connection with such ROW, and the Anaheim Facility.

Software is a general term referring to computer software consisting of the instructions or programs that are executed by a computer.

Software Development Plan means the approved plan prepared by TSP that establishes the framework used for the Software development for the TCS as specified in TP Section 2.9.

Software Maintenance means performance of all the activities to service and maintain the Software including all of the Software in TP Section 16.12.

Software Maintenance Option means Agencies' option to extend the time period during which TSP is required to service and maintain the Software for a maximum period of 5 years, including providing updates and upgrades, from and after the termination of this Contract, whether at the end of the O&M Term, or as a result of an earlier termination, for so long as Agencies desires to continue to use the Software in connection with the Toll Services.

Software Maintenance Option Period means the time period for which Agencieselect to require TSP to service and maintain the Software, including providing updates and upgrades as set out in a Notice under Section 3.3.2.

Software Source Code means the Software written in programming languages, such as C and Fortran, including all comments and procedural code and configuration code, such as job control language statements, in a form intelligible to trained programmers and capable of being translated into object or machine readable code for operation on computer equipment through assembly or compiling, and accompanied by documentation, including flow charts, schematics, statements of principles of operations, and architectural standards, describing the data flows, data structures, and control logic of the Software, including TSP's version of compilers used in connection with the Software in sufficient detail to enable a trained programmer through study of such documentation to maintain and/or modify the Software without undue experimentation, and such other documentation and executables required to independently maintain the Software, and necessary information to build and replicate any specialized hardware, but excludes source code for COTS unless such source code is available to TSP.

Source Code Documentation means all documentation reasonably necessary or desirable to allow for compiling and testing of the Software Source Code, including without limitation a list of applicable proprietary software development tools, license(s) to all applicable Intellectual Property, detail on any permitted third party commercially available Software used in

conjunction with the system (including name, version, sub-version number and release date), documentation on how any permitted third party commercially available Software is linked to the TCS Software, and documentation showing the identities of and most current available contact information for one or more qualified programmers who had or have responsibility for creation of the Software Source Code at issue and the methodology such that they can explain the source code and the methodology and otherwise be used as system references.

Source Code Escrow has the meaning given in Section 29.12.2.

Staffing Plan means approved plans as described in TP Section 2.1.1.

Standard Operating Procedures means the document prepared by TSP detailing all procedures necessary for administration and operations of the TCS, including the ETC system, CSC system and TMS as specified in TP Section 2.10.1.

State means the State of California.

State Arbitration Act has the meaning given in Section 27.6.3.

State Route 91 Express Lanes (or State Route 91) means approximately eighteen miles of tolled express lanes on State Route 91 (SR 91) between the State Route 55 and State Route 91 interchange and the Interstate 15 and State Route 91 interchange from the toll express lanes to and from the I-15.

Stipulated Damages means an amount calculated by Agencies under Section 11.2 with respect to State Route 91 or the Interstate 15 (as applicable).

Structured Query Language means a standard interactive and programming language for getting information from and updating data held in a relational database management system.

Subcontract (or subcontract) means any agreement by TSP with any other Person to perform any part of the Toll Services or provide Equipment for, or any such agreement at a lower tier, between a Subcontractor and its lower tier Subcontractor or a Supplier and its lower tier Supplier, at all tiers.

Subcontractor (or subcontractor) means any Person, subcontractor or supplier with whom TSP has entered into any Subcontract and any other Person with whom any Subcontractor has further subcontracted any part of the Toll Services, at all tiers.

Submittal Process means the process specified in Section 30 for Agency review, comment, approval and disapproval under this Contract.

Substantial Completion Deadline means the date upon which substantial completion is scheduled to be achieved under the DB Contract, as extended under the terms of the DB Contract.

Successfully-Mailed NTEV means a mailed NTEV containing one or more Violation Transactions, excluding any NTEV returned as undeliverable or mailed to the wrong customer due to an erroneous license plate identification.

Successor means the entity which undertakes the responsibilities for Toll Services at the Expiry Date.

Supplier (or supplier) means any Person not performing work at or on the Site which supplies machinery, equipment, materials, Hardware, Software, systems or any other appurtenance to any portion of the Toll Services to TSP or to any Subcontractor in connection with the performance of the Toll Services. Persons who merely transport, pick up, deliver or carry materials, personnel, parts or equipment or any other items or persons to or from a Site shall not be deemed to be performing Toll Services at the Site.

Surety means each properly licensed surety company, insurance company or other Person approved by the California State Insurance Commissioner to do business in the State and approved by Agencies, which has issued the Bond.

Suspended Transponder Account means a Transponder Account that has restrictions or limitations on the types of Financial Transactions and Trips permitted to post per the Business Rules.

System means all systems and subsystems that TSP is required to provide to Agencies pursuant to the Contract.

Tag Status File means the file sent from the ROC to the Host containing the status of all home and CTOC transponders.

TCS Acceptance means the stage of the D&D Work when the following requirements have been satisfied by TSP:

(a) Revenue Service Commencement has been achieved;

(b) TSP has complete all Punch List items in accordance with Section 8.13.3, except for non-material Punch List items the aggregate value of which (as reasonably determined by RCTC) is less than $50,000;

(c) All Liquidated Damages payable in accordance with Section 11 have been paid by TSP;

(d) The TCS Acceptance Test has been satisfactorily conducted and completed by TSP in accordance with TP Section 5.6 and a final test report of the results has been received and approved by RCTC;

(e) The Source Code Escrow Agent has confirmed in writing to RCTC that all Software Source Code that is required to be in the Source Code Escrow has in fact been delivered to the Source Code Escrow by TSP;

(f) RCTC has approved all Deliverables required under TP Section 3;

(g) No remedied failure of any equipment or Work provided by TSP to comply with the TCS Documentation or this Contract or required submittal shall exist and be continuing;

(h) TSP has demonstrated compliance with all KPIs; and

(i) All other conditions to TCS Acceptance in this Contract have been satisfied.

(j) **TCS Acceptance Date** means the calendar date when TCS Acceptance is achieved.

TCS Acceptance Deadline means:

(a) Prior to NTP2, the anticipated the date that is 120 days after Revenue Service Commencement as set out in the Project Schedule; and

(b) After NTP2, the date for the TCS Acceptance Deadline set out in the Notice under Section 8.3.3.

TCS Acceptance Test(ing) means the testing of the TCS after Revenue Service Commencement under live conditions to ascertain that the TCS meets the Contract requirements for a period of 45 days in order to achieve TCS Acceptance as set forth in TP Section 5.6.

TCS Documentation means all drawings (including plans, profiles, cross-sections, notes, elevations, sections, details and diagrams), specifications, reports, studies, calculations, electronic files, records and submittals, including Plans, System Design Document Software (including both Source Code and object code) and other physical or electronic materials with respect to Intellectual Property, Software, Software Source Code or required to adequately document the TCS as configured, and necessary for, or related to, the configuration, installation, integration, testing, maintenance and operation of the Toll Services in accordance with this Contract, the Governmental Approvals and applicable Governmental Rule includes all relevant commentary, explanations and instructions to compile source code, and all modifications, additions or substitutions made to such materials.

TCS Infrastructure Baseline Requirements means the requirements for the Toll Infrastructure set forth in TP Section 19.7.

TCS Infrastructure Design Document has the meaning given in TP Section 4.2.

Technical Proposal means TSP's completed Technical Proposal submitted in response to the RFP for the Original Contract.

Technical Provisions (TP) means the document entitled Volume III, Technical Provisions constituting the document describing the scope of the Toll Services and related standards, criteria, requirements, conditions, procedures, specifications and other provisions for the I-15 Express Lanes Project, and for the 91 Express Lanes as such provisions may be changed, added to, deleted or replaced in accordance with this Contract.

Technology Errors and Omissions Liability Insurance means the insurance required to be obtained and maintained by TSP under Section 17.2.1.5.

Temporary Repair means, where a O&M Priority Event occurs, work of a temporary nature that are undertaken in accordance with TP Section 16.16 and do not constitute Repair but substantially make good the relevant O&M Priority Event until a Permanent Repair can be undertaken.

Term means the period commencing on the Effective Date and ending on April 31, 2041.

Termination Date means the date of termination specified in the Termination for Convenience Notice or Termination for Default Notice (as applicable).

Termination for Convenience Amount has the meaning given in Section 22.4.1.

Termination for Convenience Notice has the meaning given in Section 22.1.

Termination for Default Notice has the meaning given in Section 23.3.1(a).

Termination Notice means the Termination for Convenience Notice and the Termination for Default Notice, or either of them as the context requires.

Testing Priority means the level of severity of system problems, errors, failures or malfunctions during the 45-day TCS Acceptance Test. Testing Priority may be modified by the numbers 1, 2, 3, and 4 to represent levels as defined in TP Section 5.6.4.

Third Party means any Person who is not a Party to the Contract.

Third Party Claims means any and all claims, disputes, disagreements, causes of action, demands, suits, actions, judgments, investigations or proceedings brought by a Person that is not a Party with respect to damages, injuries, liabilities, obligations, losses, costs, penalties, fines or expenses (including attorneys' fees and expenses) sustained or incurred by such Person.

Third Party Intellectual Property means any Intellectual Property owned by any Person unrelated to TSP or Subcontractors, and which is incorporated into the Toll Services.

Time and Materials Change Order means a Change Order issued under Section 20.13.5 or 20.14.4 (as applicable).

Time and Materials Work means Work performed pursuant to a Time and Materials Change Order.

TMS Software means the Software that enable computers, servers, and other computing Hardware to perform the Work under the Contract associated with the TMS which requires such Hardware.

Toll means the charge for use of RCTC's I-15 Express Lanes, the 91 Express Lanes in Riverside County or the 91 Express Lanes in Orange County, as applicable.

Toll Collection System (TCS) means all systems included in the Work, including the Electronic Toll Collection System, Customer Service Center System, Communication System, Traffic Management System and MOMs.

Toll Infrastructure means the facilities utilized in connection with the TCS both on-site at the Toll Zones and off-site at the ROC, toll plaza and related equipment, systems, areas adjacent to the toll plaza including the walkway to and from the toll lanes, the landscaping and related equipment, in the area of the toll plaza, the toll plaza canopy, the toll lanes, and the gantries, and all related systems and appurtenances.

Toll Gantry means a gantry or series of gantries comprised of a Toll Zone upon which TCS equipment is mounted.

Toll Operations means all day-to-day services required for the management operation of the TCS and toll processing, collection, violations processing and back-office violations

enforcement in accordance with the TP, revenue handling, TCS Documentation, Software, Hardware and accounting in accordance with the TP, including all labor, management, supervision, Equipment, tools, software, licenses, utilities, transportation, facilities support services, data services and connections and Equipment necessary to perform such Work.

Toll Services means the D&D Work, the 91 EL Transition Work, the CSC Commencement Period Toll Services and the O&M Work, or either, as the context requires.

Toll Services Data means all information and data concerning the TCS' operations, maintenance and performance, including customer information and data and Personally Identifiable Information collected by TSP or which TSP may have access to or may obtain in connection with performance of the Toll Services, and other Project information generated in connection with the Toll Services.

Toll Services Standards means all the applicable State, RCTC, OCTA and public works standards, criteria, requirements, building codes and/or regulations applicable to the Toll Services.

Toll System Provider (TSP) means Kapsch TrafficCom Transportation NA, Inc., a corporation organized under the laws of Michigan.

Toll Zone (or Tolling Zone) means a strategic location on the roadway where a gantry structure exists to collect AVI and Image data of passing vehicles.

Total Bonds and Insurance Cost means the amount payable to TSP to reimburse for bond and insurance premiums under Section 18.7.2.3.

Total Capital Cost means the Total D&D Cost, plus the Total Bonds and Insurance Cost, plus the Total CSC Commencement Period Cost, as set forth under the Original Contract, and applicable to RCTC.

Total CSC Commencement Period Cost means the total of the fixed price monthly compensation payable to TSP for CSC operations from CSC Commencement until Revenue Service Commencement payable in accordance with Section 18.2.5 through 18.2.7, as set forth under the Original Contract, and applicable to RCTC.

Total D&D Cost means amount set forth in Price Sheet Form J-1, Line Item 35, applicable to the Original Contract.

Total O&M Cost means, as respects each Agency, the total O&M Cost for the term for the applicable Agency. **Total O&M Pass Through Cost** means the sum of the Costs to be reimbursed by Agencies to TSP on an actual cost incurred basis for those Costs specified in Exhibit 7 and included in the approved Budget for the relevant year of the O&M Term.

Traffic Management System means the system to manage traffic including CCTVs, CMS and traffic detection.

Traffic Operation Center means the location at the ROC where staff will monitor the EL operations.

Training Plan means the approved plan prepared by TSP as specified in TP Section 15.1.1.

Transaction means Lane Transactions, Trip Transactions, and Financial Transactions and Event Transactions.

Transition Work means all Work necessary to transition the Work, or any portion thereof, to a Successor, including in accordance with the approved End of Contract Transition Plan.

Transponder means a radio frequency device mounted in or on a vehicle to provide a unique identifier to the TCS according to the specifications of Title 21, as it may be modified to include 6C.

Transponder Transaction means a Lane Transaction with a valid transponder as determined by the Lane Controller.

Transportation Management Plan means the approved plan prepared by TSP detailing the management of traffic as described in TP Section 4.7.1.

Trip means the formed Trip Transaction from Lane Transactions for a given vehicle making a trip through the I-15 EL or 91 EL which logically groups Lane Transactions transmitted from EL Read Points using the vehicle identifiers (Transponder number, and/or license plate number) for a specific Corridor in a single direction.

Trip Building means the process within the TCS at the Host where Lane Transactions are combined to create Trip Transactions in order to post a single Toll amount to customer or violator accounts due to use of the Express Lanes.

Trip Transaction means the package of information formed by the ETC Host identifying a Trip made by a vehicle and the Toll assigned to that Trip.

TSP Change Request means a request with respect to an Eligible submitted by TSP under Section 20.6 and consistent with the form of Exhibit 23.

TSP Event of Default means each of the events listed in Section 23.1.

TSP Fault means:

(a) a breach by TSP of any of its obligations under this Contract;

(b) a breach of any representation or warranty made by TSP under this Contract;

(c) a breach of Governmental Rule or any Governmental Approval by any TSP-Related Entity;

(d) gross negligence, fraud, criminal act or reckless or willful misconduct by any TSP-Related Entity; or

(e) a negligent or other culpable act or omission by any TSP-Related Entity.

TSP Margin means the percentage specified in Exhibit 2 that TSP may charge on labor and the Audited Overhead in accordance with Section 18 to cover all profit and other like costs of TSP).

TSP Ready For Construction Certification means TSP's certification to DB Contractor and RCTC, set forth in a certificate signed by TSP and provided to RCTC and DB Contractor pursuant to Section 8.7, certifying that (i) TSP has reviewed the elements of the DB Contractor's Ready For Construction Plans that reflect the TCS Infrastructure Design Document, (ii) such elements are consistent with TSP's Infrastructure Design Requirements set forth in the TCS Infrastructure Design Document, and (iii) if the DB Work is built in accordance with the Ready For Construction Plans, will be suitable for TSP's performance of the Toll Services.

TSP-Related Entities means (i) TSP, (ii) partners, joint venturers and/or members in or with TSP, (iii) Subcontractors (including Suppliers), (iv) any other Persons performing any of the Work, (v) any other Persons for whom TSP may be legally or contractually responsible, and (vi) the Agency Parties and invitees of any of the foregoing.

TSP Release of Hazardous Materials means any Release of Hazardous Material (i) brought onto the Site by any TSP-Related Entity, or (ii) attributable to the negligent acts, errors or omissions, gross negligence, willful misconduct, or breach of contract or Governmental Rule by any TSP-Related Entity.

TSP Representative means the Person designated as the TSP Representative(s) in Exhibit 2 as amended in accordance with this Contract.

Turnover Area means the area within each of the eight Project Segments consisting of a Toll Zone and other relevant equipment.

Uninterruptible Power Supply means the battery backup device, which maintains a continuous supply of electric power when utility power is not available.

Unit means the a quantity chosen as a standard in terms of which the Work described in a particular line item in the Price Sheets is measured.

Unit Price means the compensation to be paid to TSP for each Unit of Work specified in a Line Item in the Price Sheets or, where there is not applicable Unit Price, new unit prices agreed by the Parties which can be established and supported by substantiating data.

Unpermitted Lane Closure means a full or partial closure by TSP of any portion of a General Purpose Lane or Express Lane that is not a Permitted Lane Closure

Unpermitted Express Lane Closure means a full or partial closure by TSP of any portion of an Express Lane that is not a Permitted Lane Closure.

User Fee Processing Agreement means an agreement between two or more CTOC member agencies governing the process and business rules regarding reciprocal exchange of information and payment for Transactions from away agencies on home accounts and home accounts on away agencies' accounts.

User Role means a classification of authorized TCS users established to control access to specific functions or privileges within the TCS.

Utility Strip Map means a diagram depicting the location of utilities applicable to the Site.

Utility(ies) or **utility(ies)** means (1) a public, private, cooperative, municipal and/or government line, facility or system used for the carriage, transmission and/or distribution of cable television, electric power, telephone, telegraph, water, gas, oil, petroleum products, steam, chemicals, hydrocarbons, telecommunications, sanitation, sewage, storm water not connected with the drainage of the Toll Services, and similar substances that directly or indirectly serve the public, and/or (2) a private pipeline. The term "Utility" or "utility" specifically excludes (a) storm water facilities providing drainage for the ROW, and (b) street lights and traffic signals. The necessary appurtenances to each utility facility shall be considered part of such utility. Without limitation, any service line connecting directly to a utility shall be considered an appurtenance to that utility, regardless of the ownership of such service line.

Variable Pricing means a set of toll rates that change depending on the time of day.

Variable Toll Message Sign means an electronic dynamic message sign used along the EL to display the toll rate.

Violation means a Trip resulting from the use of the I-15 Express Lanes or 91 Express Lanes without a toll account with sufficient funds to pay the Toll or a Non-Revenue Account, or a valid CTOC account.

Violation Date means the date that a Violator used the ELs resulting in a Lane Transaction.

Violation Enforcement System means the system that captures images of vehicle license plates on the facility and associates them with the correct Lane Transactions, for vehicles without a valid transponder.

Violation Notice means a NTEV and a NDTEV, as appropriate in the context in which it such term is used.

Violator means a user of the ELs without a toll account with sufficient funds to pay the Toll or a Non-Revenue Account. The following modifiers can be added to Violator:

Violator Account has the meaning in TP Section 8.6.

Walk-In Center means the facility where customers may conduct business with the Customer Service Center as described in TP Section 8 and Section 10.

Week means 12:01 a.m. Monday through midnight. Sunday.

Weighted Wage Rate has the meaning in Section 20.13.2(a).

Work (or work) means all of the work required to be furnished and provided by TSP under this Contract, including all administrative, design, support services, procurement, professional, manufacturing, supply, design, installation, integration, deployment, testing, commissioning, construction, supervision, management, testing, verification, labor, materials, equipment, maintenance, documentation and other duties and services to be furnished and provided by TSP as required by this Contract, including all efforts necessary or appropriate to achieve TCS Acceptance and to operate and maintain the TCS in accordance with the standards in this

Contract during the Term, except for those efforts which this Contract expressly specifies will be performed by Persons other than TSP-Related Entities.

EXHIBIT 2

CONTRACT PARTICULARS

Zone means the area where the Toll Point is located.

No.	Clause References:	Issue:	
5.	**15.1**	**RCTC Representative**	Michael Blomquist
6.	**15.1**	**TSP Representative**	John Freund
7.	**15.5.1**	**Key Personnel**	
3.1		***Project Manager – D&D Work***	Peter Aczel
3.2		***Project Manager – O&M Work***	Peter Aczel
3.3		***Lead Systems Engineer - CSC***	Balaji Calluru
3.4		***Lead Systems Engineer - ETC***	Raymon Lange
3.5		***Operations Manager***	Rick Maharaj and Kristopher Larsen
3.6		***Test Manager***	Carlos Aguilera
3.7		***Quality Manager (O&M / D&D)***	Robert Erwin
3.8		***Maintenance Manager***	Gabriel Calvert and Kristopher Larsen
3.9		***Finance Manager***	Sue Cripe
3.10		***Installation Manager***	Mark Moser
1.	**15.4.1**	**Major Subcontractors**	BRIC-TPS, LLC
2.	**16.3**	**Guarantor**	Kapsch TrafficCom AG
3.	**15.5**	**Key personnel nominated for 24 hour availability**	Kristopher Larsen
4.	**16.1.1**	**Proposal Bond Increase Amount**	$10 million

8.	**16.1.2**	**Performance Bond Amount**	$18,704,144
9.	**16.1.3**	**Payment Bond Amount**	$18,704,144
10.	**16.1.4**	**Maintenance Performance Bond Amount**	$39,906,281
11.	**16.1.4**	**Maintenance Payment Bond Amount**	$39,906,281
12.	**16.1.5**	**Software Maintenance Option Performance Bond Amounts**	$2,930,521
13.	**16.1.5**	**Software Maintenance Option Payment Bond Amounts**	$2,930,521
14.	**18**	**TSP Margin**	10%
15.	**27.1.2**	**Facilitator for partnering meetings**	John Freund

EXHIBIT 3 THROUGH EXHIBIT 23, EXCLUDING EXHIBIT 7, INCORPORATED BY REFERENCE FROM ORIGINAL AGREEMENT

EXHIBIT 7 – [ATTACHED]

EXHIBIT 24- REFRESH SCOPE (FROM AMENDMENT NO. 4 OF ORIGINAL AGREEMENT) TO BE ATTACHED TO EXECUTION VERSION

EXHIBIT 25 – 91 EL TRANSITION WORK
[ATTACHED]

EXHIBIT 7
PASS THROUGH COSTS

Item	Description
Credit card transaction fees	Transaction processing fees excluding fixed fees for setup or management.
Bank Fees	Bank fees for all accounts
Check 21	Processing fees from financial institution
Violation Notice (NTEV and NDTEV) Postage	NTEV and NDTEV postage costs. All other NTEV and NDTEV costs including generation, printing, paper, envelopes and processing are included in the Violation Notice Fee.
Marketing Materials	Reproduction costs (OCTA/RCTC to provide print file)
Transponder Welcome Kit	Transponder Welcome Kit, Transponder mounting instructions, license agreement, how it works literature, and postage.
California DMV Registration Holds or Suspension	Fee charged by California DMV for registration of holds or suspensions.
Account Mailing and Postage	All mailing costs including postage, generation, printing, paper, and envelopes for Account related mailings. Account mailings include all mailed correspondence pertaining to the maintenance and use of a FasTrak account such as statements, account status and disputes for transactions posted to an account. Each month the amount of account pass-through costs will be reduced by 17,000 units to offset the amount included in the fixed CSC Fee prior to the addition of the 91 Express Lanes.
PayNearMe	If monthly volume does not cover the minimum of $1,000, the difference between actual charges and the minimum will be billed as a pass-through cost.
Toll-free Customer Phone line	Monthly phone usage bill associated with the toll-free number and other customer dedicated phone lines.
Administrative Hearings	Cost for the administrative hearing officer services.
Collection Agency	Costs related to collection agency fees.

* Pass-Through Cost Items are payable to TSP in accordance with Section 18.7.2.4 of the Contract.

Exhibit 25

Attachment 1

Scope of Work:

Updated Technical Provisions

[attached behind this page]

Volume III

TECHNICAL PROVISIONS

RCTC REQUEST FOR PROPOSALS RFP Number: 16-31-043-00 June 13, 2016
ADDENDUM #1 ISSUED AUGUST 11, 2016
ADDENDUM #2 ISSUED SEPTEMBER 19, 2016
ADDENDUM #3 ISSUED SEPTEMBER 30, 2016
NEGOTIATIONS #1 ISSUED NOVEMBER 28, 2016
ORIGINAL AGREEMENT EXECUTION ISSUED JANUARY 26, 2017

AMENDED AND RESTATED AGREEMENT AMONGST RCTC, OCTA AND KAPSCH XX, 2026

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1 GENERAL INFORMATION

The Toll System Provider (TSP) shall provide a comprehensive, turn-key Toll Collection System (TCS) including an Electronic Toll Collection (ETC) system, Traffic Management System (TMS), Communication Network and a Maintenance Online Management System (MOMS) for the RCTC 15 Express Lanes and RCTC 91 Express Lanes, including staff for ongoing O&M Work. The TSP shall provide Customer Service Center (CSC) system and staffing for the RCTC 15 Express Lanes and the OCTA and RCTC 91 Express Lanes as a joint operation.

Unless the context otherwise requires, capitalized terms which are used but not defined in these TPs have the meaning given in Exhibit 1 to the Contract, Abbreviations and Definitions.

1.1 Toll Operating Policies

1.1.1 Dynamic Pricing

The RCTC 15 and 91 ELs utilize Dynamic Pricing, which allows for real-time adjustment of toll prices in response to traffic conditions. The goal of Dynamic Pricing will be to optimize throughput in the corridor and to generate revenue to meet debt obligations. The OCTA 91 Express Lanes use time of day pricing.

1.1.2 Tolling Segments

The RCTC 15 ELs are divided into four (4) tolling Segments in each direction with separate toll rates applied to each Segment. The 91 Express Lanes are divided into two tolling segments in each direction: Orange County and Riverside County with separate tolls applied to each segment. In advance of the ingress location for each Segment, pricing signs will display the current toll rate for the upcoming Segment and on the RCTC 15 ELs the combined toll rate to travel through multiple Segments.

1.1.3 Tolling Points

A tolling point for the RCTC 15 Express Lanes is located within each Segment with equipment necessary to toll vehicles. The equipment is located on median-mounted gantries that span the ELs. The RCTC 91 Express Lanes will have a primary tolling point where occupancy can be declared and a secondary tolling point will provide the entry/exit location.

1.1.4 Toll Payment Method

All vehicles using the ELs will be required to carry a CTOC compatible Transponder for toll payment. License plate cameras will be installed at toll points to capture the rear license plates of vehicles without Transponders to build trips for IBT posting to Transponder Accounts, Non-Revenue Accounts, and Violation Accounts as appropriate.

1.1.5 Toll Discounts and Exemptions

See Business Rules Exhibit x for Toll Discount Rules. Note Toll Discounts may differ between the 91 and 15 Express Lanes and between the OCTA and RCTC 91 EL segments. The following types of vehicles will be exempt from paying a Toll at all times:

1) Mass transit, including buses and paratransit;
2) Motorcycles;
3) Qualifying emergency vehicles that are actively responding to an emergency and law enforcement vehicles per California Vehicle Code Section 23301.5; and
4) Maintenance vehicles working on the 15 Els and 91 ELs.

These exempt vehicles will be issued Transponders (hard case or sticker tag) where practical and cost effective. The sticker tags shall be associated with Non-Revenue Accounts as directed by Agencies and recognized as toll exempt by the back office system. Motorcyclists on the 81 Express Lanes are required to establish an account and may be processed by a specially issued motorcycle Transponder or the unique DMV motorcycle license plate format. All Non-Revenue Account transactions shall be formed into trips and accounted for by processing to a unique account to allow for reporting and validation of usage.

1.1.6 Hours of Operation

The Express Lanes will be in operation 24 hours per day, 7 days per week. This allows for the management of congestion at all times and is consistent with the Department established hours of operation for existing HOV lanes in Southern California..

1.1.7 Interoperability

The specifications for tolling in the state of California are governed by Title 21 of the California Code of Regulations. The current specification in use is commonly referred to as “Title 21” in the toll industry. The California Toll Operators Committee (CTOC), the entity that maintains toll interoperability throughout the state, has developed a transition plan to replace the existing Title 21 protocol with the ISO 18000-6C (6C) starting in 2018 with full transition by January 1, 2027. The TCS shall support the existing Title 21 and 6C protocols and shall be capable of processing existing Title 21 tags beyond the planned 2027 transition should it be delayed. The I-15 ELs will comply with whatever protocol is in place at the time of opening.

Interoperability will be performed through an IOP agreement which includes the 15 and 91 ELs (both Agencies).

1.1.8 Enforcement

The California Highway Patrol (CHP) will provide enforcement of the ELs. Enforcement beacons located at tolling points will alert CHP of the Transponder status of a vehicle passing through to aid with visual enforcement. License plate cameras will also be installed at Toll points to capture the license plate images of vehicles and to apply a Toll and possible Toll Violation for vehicles without a Transponder.

Enforcement on the RCTC 91 Express Lanes includes an Occupancy Detection System which will need to be integrated into the back-office system. The business rules and scope of work for the Occupancy Detection System are attached as Exhibit 20.1.

1.1.9 Express Lanes O&M Work

The O&M Work functions for the 15 ELs will take place out of a centralized facility referred to as the Regional Operations Center (ROC) and Facility and Maintenance (FAM). These functions include customer service, express lanes monitoring, incident management, equipment maintenance, and other back-office activities such as equipment and Transponder inventory management, Account management and license plate image review. The ROC will be located in close proximity to the ELs to provide ease of access for customers and maintenance activities. The ROC will include a single Walk-In Center and a Call Center where customers can obtain Transponders, make payments, resolve Violations, and manage their Accounts in person or by phone. A Traffic Operations Center (TOC) will also be located in the ROC where 15 Express Lane operators can monitor traffic conditions.

TSP shall ensure that the 91 Express Lanes Traffic Operations Center (TOC) and the associated data center are located in Anaheim Hills. TSP shall also support the establishment of a Walk-In Center located in Orange at the OCTA offices. The Walk-In Center shall be staffed and operated by OCTA.

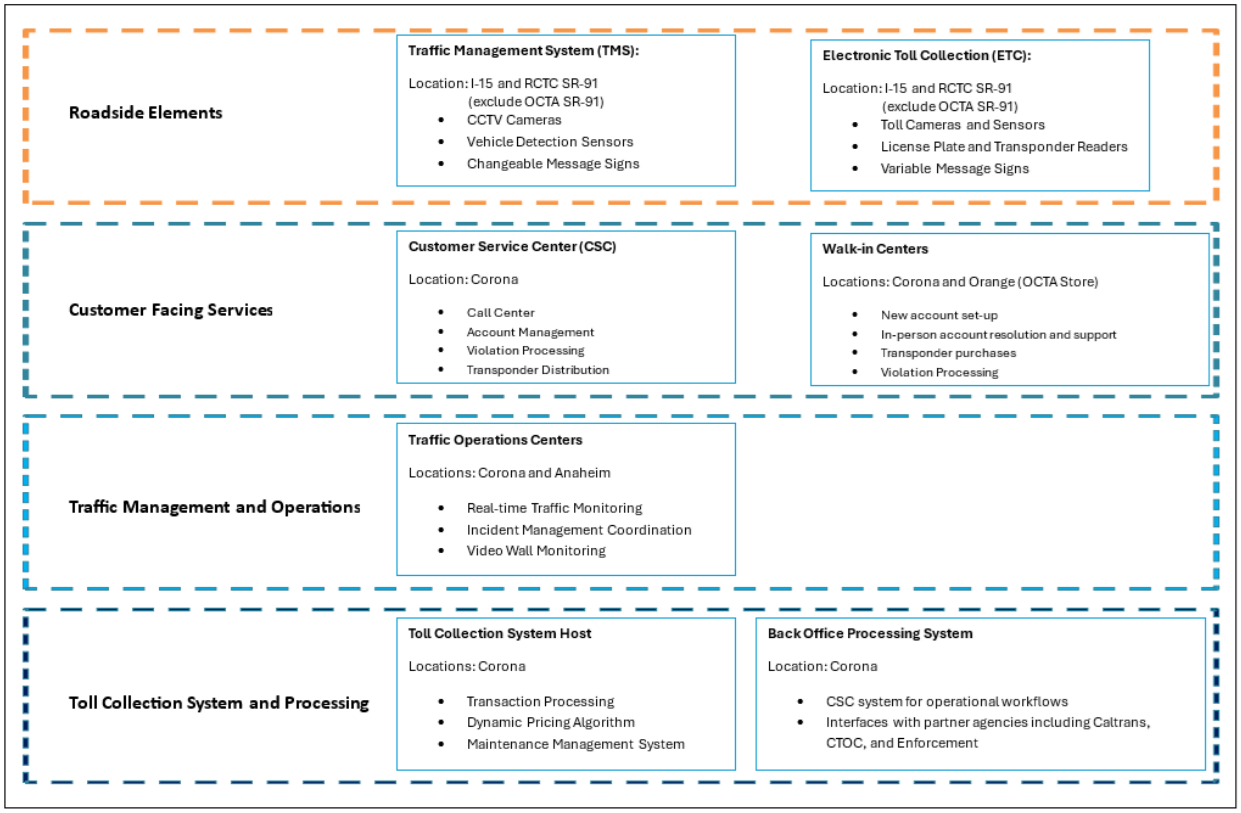
1.2 Toll Collection System Architecture

The TSP shall design, install, operate and maintain the entirety of the TCS, which includes the following components:

1) Electronic Toll Collection (ETC) system: Includes all Software and Hardware for the collection of tolls on the ELs;
2) Customer Service Center (CSC) system: Includes all Software, Hardware and personnel associated with managing EL Accounts and Violations; and
3) Traffic Management System (TMS): Includes all Software, Hardware and personnel to monitor and manage traffic performance of the ELs and respond as needed. Note that for the 91 Express Lanes Agencies will provide the traffic management system. See Exhibit 20.2 for the traffic operations center scope of work.

A logical architecture diagram for the TCS is shown below in Figure 1-3, followed by a description of each TCS element. The physical system architecture will be finalized during design and may differ from the logical architecture shown, so long as the physical system architecture is consistent with the requirements in these TPs.

Figure 1-1: Toll Collection System Architecture



1.2.1 Electronic Toll Collection (ETC) System (RCTC Only)

The ETC system includes all of the in-lane equipment used to collect Tolls and calculate and display Toll rates. This equipment is generally installed on median-mounted gantries that span above the ELs. The ETC in-lane equipment is connected to an ETC Host that serves as the central database and processor for the ETC system. The ETC Host receives data from the in-lane equipment to calculate Toll rates and builds Trip Transactions that can be billed to customers.

Operations of the ETC system will take place at the ROC, which will include workstations that provide real-time information for operators to respond to as needed, including the ability to override Toll rates.

1.2.2 Customer Service Center (CSC) System

Trip Transactions recorded by the applicable Agency's ETC systems are sent to the CSC system for financial processing. The CSC system handles Account management, payment and Violation processing, financial accounting, Transponder management and all other aspects of providing general customer service.

Customer service functions will include Walk-In Centers and Call Center to provide customer service in person and by phone during established business hours. Other activities such as license plate image review, Transponder distribution, mail sorting, financial accounting and administration will also take place at the ROC. Traffic Management System (TMS) (RCTC Only)

The TMS includes all of the equipment used to collect and monitor traffic data to support traffic management, incident management and performance monitoring. The TMS includes roadside vehicle detection and monitoring equipment that is connected to a TOC located at the ROC. Operators at the ROC will monitor EL traffic conditions in real time and shall coordinate with CHP, Department and other agencies as necessary. In addition, operators at the TOC will have the capability to post messages to information signs in the Corridor as appropriate.

1.3 Scope of Work Summary

This Section 1 provides a general overview of the Toll Services to be provided in accordance with the Contract. Specific requirements relevant to the Toll Services are set out in Sections 2 through 19 of these TPs. This general summary shall not limit the specific requirements and TSP shall be responsible for all Toll Services as specified in these TPs and the Contract.

The Toll Services are comprised of the D&D Work and the O&M Work.

TSP shall perform all D&D Work and all O&M Work for the RCTC 15 Express Lanes and OCTA and RCTC Express Lanes. D&D work related to ETC systems only applies to RCTC.

TSP shall be responsible for preparing and submitting all deliverables required by these TPs, and the Contract, and as otherwise necessary for completion of the Work. A non-exhaustive list of Deliverables is included in Section 3.

1.3.1 Design and Deployment (D&D)

TSP is responsible for all Work required to design, provide, configure, construct, install, integrate, fabricate, assemble and deploy the TCS, and to test and verify that the TCS meets all requirements in these TPs, and otherwise complies with the requirements of the Contract.

1.3.2 O&M Work

TSP is responsible for the operations and maintenance of the TCS, and shall perform the O&M Work at a high level of service, quality and efficiency with minimum disruption to 15 EL and 91 EL customers, in accordance with the Key Performance Indicators set forth in Section 19.4.

1.3.2.1 RCTC Operation Center (ROC)

TSP shall provide a fully integrated Regional Operations Center (ROC) that will serve as the centralized facility for all Operations and Maintenance (O&M) Work, excluding roadside maintenance. The 91 Express Lanes Traffic Operations Center (TOC) operations shall remain located at the Anaheim Office, and the OCTA Walk-In Center (WIC) shall continue to be supported at the OCTA store in Orange.

The ROC shall support and coordinate these functions, which include, but are not limited to, customer service, express lanes monitoring, incident management, equipment maintenance, and all other required back-office activities.

TSP shall provide the management, staff, system(s), furniture, equipment, services, supplies and facilities (except the ROC building and standard facility improvements to be provided by RCTC

as specified in Table 10-1) required to operate and maintain the ROC. All items purchased by TSP for the ROC will be owned by the applicable Agency**.** TSP shall provide qualified staff in adequate numbers to meet demand for the full operation of the ROC in accordance with the Contract, including these TPs. TSP shall provide all training and management of ROC staff.

1.3.2.2 Facilities and Maintenance (FAM)

TSP shall utilize the designated areas at 120 North Joy Street (FAM) for roadside maintenance services. TSP shall provide the management, staff, system(s), furniture, equipment, services, supplies and facilities (except the FAM building and standard facility improvements to be provided by RCTC as specified in Table 10-1) required to operate and maintain the FAM.

1.3.2.3 Anaheim Hills Office

TSP will initially be provided with approximately 11,985 square footage located on the second floor of building 180 North Riverview Drive Suite 200, Anaheim, California. OCTA maintains the lease for this facility and may reduce the square footage if the lessor is amenable. TSP shall be responsible for the network and equipment from the Anaheim Data Center (ADC) up to the TOC workstations.

All items in the matrix of responsibility table below shall be provided to TSP in its current condition. TSP will be responsible to maintain, upkeep, permit, refuel, repair and restore.

The following table is a matrix of responsibility.

Area of function	Responsible party
HVAC System in the ADC	TSP
HVAC system for the office space	Thru Agency (Building Landlord)
Power supplied to the building	OCTA
ADC Fire Suppression System	TSP
Maintain provided Generator	TSP
Server Racks within the ADC	TSP
Monitoring of doors/facility for break ins in accordance with SOP	TSP
Office Furniture	RCTC & OCTA
Office Network at Anaheim and Corona offices	TSP
Office ISP at Anaheim and Corona offices	TSP
Security System (camera and badge)	TSP
Anaheim facility plan	TSP

1.3.2.4 OCTA Store

The TSP shall support and operationally service the OCTA store located in the City of Orange/Santa Ana in Orange County. The OCTA store shall be staffed by OCTA personnel but operationally serviced by the contractor. The scope of services for the OCTA store are as follows:

1) The Contractor shall train and provide training materials to the OCTA store staff for implementation and for all system and process changes.
2) The contractor shall provide on-site and remote desktop and application support services at the OCTA store for contractor-provided equipment
3) The contractor shall provide real-time escalation and operations support for the OCTA employees and customer relations staff via chat or call feature.
4) The OCTA Store WIC shall be open 8 am- 5 pm Monday–Friday, Pacific Time.
5) The OCTA Store WIC shall observe the following Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving Day, Christmas Day, and any other designated Holidays by OCTA.
6) TSP shall provide operational and escalation support on all holidays during which the OCTA Store is open.
7) For any listed Holiday occurring on Saturday or Sunday, the OCTA WIC shall observe the Holiday on the same day as OCTA's other staff.
8) OCTA may close the OCTA Store WIC (for example, for emergency or weather conditions).
9) The contractor is responsible for the planning, initial set-up, replacement, and maintenance of all equipment provided at the OCTA store.
10) The contractor shall propose all recommended equipment and software to be located and used at the OCTA store, which shall be approved by OCTA.
11) The contractor shall furnish the necessary equipment for the staff to securely connect to the BOS, including but not limited to the following:
    a. Isolated ISP for the network traffic with sufficient bandwidth to prevent network degradation
    b. Secure dedicated and redundant interface connections for the OCTA store via a secure VPN or other approved interface, as approved by OCTA
    c. Firewall to secure network traffic
    d. Any necessary security and interfaces needed to protect network traffic and the BOS environment
    e. Desktops with technical specifications meeting BOS requirements (Desktops to be provided shall be based on available workstations and can be between 3-5)
    f. POS devices for each workstation meeting PCI requirements

12) The Contractor shall include the OCTA store in any PCI and PII assessment as applicable.

2 PROJECT MANAGEMENT AND ADMINISTRATION (The D&D portion of this section is not being updated as it may apply to the RCTC Roadside Update or the future 15 Expansion. The O & M sections related to the Back Office should be considered to apply to both OCTA and RCTC)

2.1 Project Management

The project management effort shall be organized to effectively manage all elements of the Toll Services. This project management effort shall be defined by and follow the Project Management Plan (PMP), which shall include management plan elements describing discrete elements of the Toll Services as provided in Section 2.1.1. The PMP shall be submitted to RCTC for review and approval prior to issuance of NTP2. TSP's management activities shall at a minimum include:

1) Management of the Toll Services;
2) Staffing and organization;
3) Monitoring and reporting during D&D Phase; and
4) Monitoring and reporting during O&M Term.

2.1.1 Project Management Plan

TSP shall prepare and submit a detailed PMP to RCTC for review and approval prior to issuance of NTP2. The PMP shall describe in detail the management techniques to be used by TSP during the D&D Phase and O&M Term. At a minimum, the PMP shall address the following with respect to the Toll Services:

1) TSP's overall project management approach during the D&D Phase and O&M Term;
2) Project organization and staff responsibilities (by both position title and employee name and their key roles and responsibilities);
3) TSP's approach to Subcontractor coordination;
4) TSP's approach to communication and coordination with RCTC, DB Contractor and PCM;
5) Development and use of a WBS;
6) CPM scheduling and progress reporting;
7) Quality assurance/Quality control (QA/QC);
8) Configuration/Change control management;
9) Document control and record keeping;
10) Development and use of a Requirements Trace Matrix;
11) Risk assessment and mitigation strategies; and
12) Issue resolution and escalation.

The PMP shall include a plan for staffing during the Term. TSP shall maintain adequate staffing throughout the Term to perform the Toll Services. The Staffing Plan shall address staffing for D&D Work separate from O&M Work. For D&D Work, the Staffing Plan shall at a minimum include data that supports the amount of staff required for a specific time frame tied to the Project Schedule and to any D&D Work related tasks. For O&M Work, the staffing plan shall be organized to show any staff that will be carried over from D&D Work to the O&M Work and details supporting proposed staffing for each element of O&M Work. The Staffing Plan relating to the O&M Work shall include the phased transition to opening which allows for training prior to the CSC Commencement Date throughout the CSC Commencement Period. Monthly staffing plans during the O&M Term will be provided in accordance with Section 8.2.3.

2.1.2 Key Personnel

Subject to Contract Sections 15.5 and 15.6, TSP shall assign Key Personnel to manage all aspects of the Toll Services in a quality, timely, and effective manner and shall work with RCTC or its designee in a cohesive, seamless manner. Key Personnel positions are:

1) Project Manager – D&D Work;
2) Project Manager – O&M Work;
3) Roadside and TOC Operations Manager;
4) Call Center Operations Manager;
5) Installation Manager;
6) Lead System Engineer – ETC;
7) Lead System Engineer – CSC;
8) Test Manager;
9) Quality Manager – D&D Work;
10) Quality Manager – O&M Work;
11) Maintenance Manager; and
12) Finance Manager.

TSP shall ensure that Key Personnel are available to work at the Co-located Office.

Key Personnel descriptions and requirements are listed below.

2.1.2.1 Project Manager - D&D Work

The Project Manager - D&D Work is responsible for the overall delivery of the D&D Work. The Project Manager - D&D Work shall have experience in a project manager role for a project of similar scope, size and complexity. The Project Manager - D&D Work shall be assigned to the D&D Work full time and is required to be on site in the Co-Located office with the DB Contractor (when it becomes available) at least fifty percent of the time during the D&D Phase. At all times, an individual identified as Key Personnel with authority to make decisions shall be located on site in the co-located office with the DB Contractor.

2.1.2.2 Program Manager - O&M Work

The Program Manager – O&M Work shall be responsible for the overall delivery, performance, and management of all Operations and Maintenance Work for the toll collection program, including toll collection operations, roadway maintenance, back-office services, customer service, traffic operations, financial management, and all related operational activities. The Program Manager – O&M Work shall possess demonstrable experience serving in a program management role on projects of similar scope, size, and complexity. In addition, the Program Manager – O&M Work shall be responsible for proactive resource planning and allocation, ensuring adequate staffing levels, managing subcontractor performance, and maintaining continuity of operations. The Program Manager shall serve as the primary day-to-day point of contact for both Agencies, ensuring effective communication, timely reporting, issue escalation, risk management, stakeholder coordination, contract compliance, and the delivery of high-quality services consistent with Agency objectives. The Program Manager shall also be responsible for establishing and maintaining strong client relationships, ensuring transparent decision making, resolving operational concerns promptly, and leading continuous improvement initiatives across all aspects of O&M Work.

2.1.2.3 Roadside and TOC Operations Manager

The Roadside and Traffic Operations Manager shall be responsible for the day-to-day management and performance of all electronic toll collection (ETC) and traffic management Operations and Maintenance (O&M) Work for the I-15 and 91 Express Lanes Project, including roadside systems, traffic monitoring and incident response coordination, field equipment operations, and associated customer-facing functions. The Roadside and Traffic Operations Manager shall have demonstrable experience managing operations for a project of similar scope, size, and complexity. The Roadside and Traffic Operations Manager shall also participate in toll system design activities and O&M planning as needed to ensure operational readiness and seamless integration into day-to-day operations. In addition, the Roadside and Traffic Operations Manager shall be responsible for resource planning, scheduling, and supervision of field technicians and traffic operations staff; monitoring asset and equipment performance; ensuring compliance with operational standards; coordinating with Agencies and traffic management stakeholders; and managing contractor and subcontractor activities related to roadside and traffic operations. The Roadside and Traffic Operations Manager shall ensure timely issue escalation, maintain accurate operational reporting, support incident management protocols, and lead continuous improvement initiatives to optimize system performance, roadway safety, and customer service outcomes.

2.1.2.4 Call Center Operations Manager

The Call Center Operations Manager shall be responsible for the day-to-day management, performance, and continuous improvement of all Call Center Operations for the tolling program, including customer service delivery, account management support, billing inquiries, dispute resolution, correspondence processing, and all front-line customer interaction channels. The Call

Center Operations Manager shall have demonstrable experience managing call center operations of similar scope, size, and complexity, including oversight of multi-channel environments such as phone, email, chat, IVR, and in-person customer support. The Call Center Operations Manager shall be located full time at the ROC, with routine presence and oversight at the Walk-In Center as needed throughout the Term. The Call Center Operations Manager shall be responsible for workforce management, staff training and certification, quality assurance, and compliance with established customer service standards, performance metrics, and service-level agreements. Additional responsibilities shall include scheduling and supervision of call center staff; monitoring call volumes, wait times, and service levels; ensuring accurate and timely handling of customer transactions; managing escalations and complaints; and coordinating with the Agencies regarding policy updates, customer messaging, and emerging operational issues. The Call Center Operations Manager shall also lead customer experience initiatives, maintain call center reporting and analytics, and support the integration of new systems, processes, and technologies to enhance operational efficiency and service quality.

2.1.2.5 Installation Manager

The Installation Manager has primary responsibility for the installation of the TCS throughout the D&D Phase. The Installation Manager shall have experience managing the installation of at least one project of similar scope, size and complexity. The Installation Manager shall be assigned full time by Final Design Review and is required to be available at the Co-Located office with the Design Build (DB) Contractor or the ROC until such time as TCS Acceptance has been achieved.

2.1.2.6 Lead System Engineer - ETC & Lead System Engineer - CSC

TSP shall provide two (2) qualified Lead System Engineers, one assigned to the ETC system and one assigned to the CSC system. The Lead System Engineers shall have experience overseeing design and installation of toll collection systems on at least one project of similar size and complexity and shall have experience with Maintenance Online Management Systems. The Lead System Engineers shall be available full time through TCS Acceptance and available part time to respond to requests for information and provide updates related to the D&D Work throughout the O&M Term.

2.1.2.7 Test Manager

TSP shall provide a qualified Test Manager assigned to oversee all the testing of the TCS. The test manager shall have knowledge of all elements of the TCS and have experience in the test manager role on at least one project of similar scope, size and complexity. The Test Manager is required to be at the test location during any testing of the TCS throughout the Term.

2.1.2.8 Quality Manager - D&D Work

TSP shall provide a qualified Quality Manager - D&D Work assigned the responsibility of the overall quality management of the D&D Work. The Quality Manager - D&D Work must have experience in a quality management role for toll collection system deployment on a project of similar size and complexity. The Quality Manager - D&D Work must work independently and shall not report to the Project Manager - D&D Work. The Quality Manager - D&D Work shall not be

assigned to any other duties or responsibilities for the D&D Work. The Quality Manager - D&D Work shall be available on-Site during the D&D Phase upon request of RCTC.

2.1.2.9 Quality Manager - O&M Work

TSP shall provide a qualified Quality Manager - O&M Work assigned the responsibility of the overall quality management of the O&M Work. The Quality Manager - O&M Work shall have experience in a quality management role for O&M Work on a project of similar scope, size and complexity. The Quality Manager - O&M Work must work independently and shall not report to the Project Manager - O&M Work. The Quality Manager - O&M Work shall not be assigned to any other duties or responsibilities for the O&M Work. The Quality Manager - O&M Work must have the authority to stop any and all O&M Work that does not comply with applicable standards, specifications or criteria. The Quality Manager shall be assigned full time two months prior to CSC Commencement through the Term and is required to be located full time at the ROC.

2.1.2.10 Maintenance Manager

TSP shall provide a qualified Maintenance Manager responsible for the Maintenance Work. The Maintenance Manager shall have experience in a maintenance management role on a toll services project of similar size and complexity. The Maintenance Manager shall be available at the first Commissioning Test for the TCS and assigned full-time from the CSC Commencement Date until the end of the Term.

2.1.2.11 Senior Finance Manager

TSP shall provide a qualified Senior Finance Manager responsible for the overall financial management of the Toll Services, including revenue accounting, reconciliation, financial reporting, internal controls, and audit compliance. The Senior Finance Manager shall have experience in a finance management role on a toll services project of similar size and complexity. A Certified Public Accountant (CPA) is preferred, but an individual with thorough knowledge of GAAP, financial reporting, and audit principles is acceptable. The Senior Finance Manager shall be available on site at the ROC for the duration of the Term. Responsibilities include oversight of daily, weekly, and monthly revenue reconciliation; coordination with payment processors and financial institutions; management of toll and violation revenue accounting; preparation of Agency financial reports; maintenance of financial controls; support of internal and external audits; supervision of finance operations; and coordination with Operations and Call Center functions to ensure accurate billing and customer account integrity.

2.1.3 Action Item Log

TSP shall maintain a log of all action items, including events, tasks, activities or actions that are identified during meetings and workshops and need to be accomplished or resolved. All action items shall have a responsible party assigned. No action item shall be assigned to RCTC or the PCM, without their knowledge and concurrence. Each action item in the log shall, at a minimum, contain:

1) Item number;

2) Description;

3) Requesting party;

4) Assigned party;

5) Status (open / closed / in progress / deferred / etc.);

6) Date opened; and

7) Date closed.

2.2 Meetings

TSP shall schedule and attend regular meetings with the applicable Agency and its consultants and stakeholders as required for resolution of design, installation, integration and/or O&M Work issues. TSP shall make available all relevant Key Personnel and other staff as appropriate. Unless otherwise specified, all meetings shall be held at a location in the Riverside area agreed to by the applicable Agency. Agencies have the right to hold informal meetings with TSP Representative and Key Personnel as requested from time to time. Some meetings may be held by teleconference or WebEx.

2.2.1 Contract Start-Up Meeting

Within 30 days after NTP1, a Contract start-up meeting shall be held. TSP shall provide the meeting location in the Riverside area and designated by RCTC. In attendance shall be RCTC and its invitees, the PCM, the TSP's Key Personnel and other TSP personnel. TSP shall distribute an agenda at least two (2) Business Days in advance of the meeting and shall send out meeting minutes within five (5) Business Days after the meeting. The Contract start-up meeting shall permit all parties to understand the Project Schedule, terms and conditions, scope of work and responsibilities.

2.2.2 D&D Progress Meetings

During the D&D Phase, TSP shall hold monthly progress meetings (or more frequently as reasonably necessary or as requested by RCTC). The primary purpose of the progress meetings shall be to review the Project Schedule, schedule milestones, and Completion Deadlines, and to examine and assess actual progress of the D&D Work, including the status of pending Change Orders and any other design, installation, or testing related issues which the parties may wish to discuss. TSP shall make available at a minimum the Project Manager - D&D Work and scheduler for the monthly progress meeting. Discussion of the D&D Monthly Progress Report during the monthly progress meeting is subject to Section 2.6.4.3.

TSP shall schedule all monthly progress meetings with RCTC at a date, time, and place in the Riverside area and designated by RCTC, shall provide RCTC with written notice and a meeting agenda at least two (2) Business Days in advance of each meeting. TSP shall cause its Subcontractors to be present at any progress meetings as reasonably requested by RCTC.

Prior to any progress meeting, TSP shall prepare a written summary of D&D Work from the previous month and a look ahead of D&D Work for the upcoming month. TSP shall provide a finalized summary to RCTC at least five (5) Business Days before the meeting. RCTC shall be

provided copies of all meeting handouts even if not in attendance. TSP shall take meeting notes and distribute meeting notes to all participants within five (5) Business Days.

2.2.3 Task Force Meetings

TSP shall attend the DB Contractor's weekly tolling task force meetings during the D&D Phase. The meetings will be held at the Co-located Office with the DB Contractor. The DB Contractor will be responsible for the agenda and meeting notes for the weekly tolling task force meetings. TSP shall cause its Subcontractors to be present at any tolling task force meetings as reasonably requested by RCTC.

2.2.4 O&M Meetings

During the O&M Term, TSP shall hold monthly (or more frequently as reasonably necessary or as requested by the applicable Agency) meetings with the applicable Agency to discuss the O&M Work. Items to be discussed shall include O&M Work during the previous month, including O&M Monthly Reports and any other O&M reports for which TSP is responsible for pursuant to these TPs.

TSP shall schedule all meetings with the applicable Agency in person or virtually at a date and time reasonably convenient to both parties and, except in cases of urgency, shall provide the applicable Agency with written notice and a meeting agenda at least two (2) Business Days in advance of each meeting. TSP shall cause its Subcontractors to be present at any O&M meetings as reasonably requested by the applicable Agency.

Prior to any O&M meeting, TSP shall prepare a written summary of O&M Work from the previous month and a look ahead of scheduled maintenance for the upcoming quarter. TSP shall provide a finalized summary to the applicable Agency at least five (5) Business Days before the meeting along with the O&M Monthly Progress Report. TSP shall prepare other meeting materials as directed by the applicable Agency. The applicable Agency shall be provided copies of all meeting handouts even if not in attendance.

2.2.5 Partnering Meetings

TSP Key Personnel shall attend all partnering meetings with DB Contractor and RCTC as scheduled by the DB Contractor. Partnering meetings shall be held quarterly at a site in Riverside County to be determined by RCTC.

TSP shall also comply with partnering provisions in Contract Section 27.

2.3 Business Rules

In accordance with the approved Project Schedule, the TSP shall hold workshops with Agencies to develop a draft of the proposed Business Rules for review and approval during the CDR. Final Business Rules will be approved at FDR. The Business Rules shall provide the policies and guidelines for TSP's performance of the O&M Work. The Business Rules, at a minimum, shall:

1) Cover all aspects of tolling operations and back office systems;
2) Be based on these Technical Provisions and the Concept of Operations included as part of the Reference Documents;

3) Establish procedures in accordance with which the TSP shall administer and process all Violation Notices, appeals, administrative hearings and collection efforts, including circumstances in which Agencies shall authorize the reduction, compromise and settlement of amounts owed to Agencies by Violators;

4) Be concise and link back to requirements as discussed in these TPs and Contract;

5) Be efficient at meeting the requirements of the Contract while minimizing costs and maintaining high quality customer service;

6) Be specific and include quantities, time frames, dates, durations, and other quantitative measures when applicable;

7) Indicate which variables or measures are Configurable, the valid range of the variable, and the initial value;

8) Be consistent with applicable Governmental Rules governing toll collection and enforcement of toll Violations, and collection and protection of customer information; and

9) Be consistent with CTOC procedures and requirements, and the requirements of any agreements between Agencies and interoperable agencies.

TSP shall implement changes in the Business Rules upon written direction from Agencies and subject to Contract Section 20. TSP shall not be entitled to additional compensation for implementing Configurable changes.

TSP is operating from Business Rules developed over the course of the Contract. The current business rules have been redlined to reflect changes needed to accommodate difference for the 91 Express Lanes. The amended Business Rules are attachment to the request for proposal letter as Attachment 2.

2.4 Quality Management

TSP shall be solely responsible for the overall quality of the Toll Services, including products of Subcontractors both on-Site and off-Site, and must make certain all materials, Equipment, and other elements of the TCS will perform satisfactorily for the purpose intended. Persons performing quality management functions shall have sufficient authority to identify quality problems and to initiate, recommend, provide and verify implementation of solutions.

2.4.1 Quality Management Plan

TSP shall prepare, implement and maintain a Quality Management Plan (QMP) that encompasses all elements of the Toll Services, including management, administration, design, installation, testing, commissioning, operations and maintenance and quality records. The QMP shall be submitted to RCTC for review and approval prior to issuance of NTP2. As separate components to the QMP, TSP shall prepare a D&D QMP and an O&M QMP.

The QMP shall be prepared under the direction of the Quality Manager, and shall include, at a minimum, the following:

1) A description of the quality management organization of TSP and contain, at a minimum, the following information:

    a. Organization charts that identify all TSP's quality personnel and the line reporting relationships within TSP's organization.
    b. Description of the roles and responsibilities of all TSP's quality personnel and those who have authority to stop D&D Work or O&M Work; and
    c. Resumes for all QA/QC personnel.

2) A detailed description of procedures and reporting for QA/QC review of all elements of the Toll Services.

TSP shall submit the QMP to RCTC for review and approval prior to issuance of NTP2.

2.4.1.1 D&D QMP

TSP is responsible for the professional quality, technical accuracy, and coordination of designs, drawings, specifications, manufacturing, installation, testing and other D&D Work under this Contract.

As a component of the QMP, TSP shall prepare a D&D QMP, which shall include at a minimum, the following:

1) A description of quality measures that encourage continuous improvement of the design submittals;
2) A description of processes used to confirm and verify that all Contract requirements have been fulfilled;
3) Key QA milestones and deliverables;
4) Processes for test scripts documentation, test execution and results tracking;
5) Processes for defects management, tracking and reporting; and
6) A description of QA/QC review processes for D&D Work.

2.4.1.2 O&M QMP

TSP is responsible for the professional quality and accuracy of the O&M Work, including TCS maintenance, customer service, TOC operations, Violation processing and all reporting under the Contract.

As a component to the QMP, TSP shall prepare an O&M QMP, which shall include at a minimum the following:

1) Identification of all Toll Services to be monitored during the CSC Commencement Period and the O&M Term, and acceptable quality standards;
2) Detailed description of all quality and audit methods and procedures including frequency of performance, sample size and reporting;
3) For each area monitored the following shall be identified:

a. Description of the work area monitoring process, including monitoring of in-bound and out-bound calls
b. Sample size
c. Monitoring forms
d. Frequency
e. Reporting methods
f. Production report accuracy/verification
g. Evaluation process
h. Performance calculation
i. Employee feedback and tolerance for discipline or remediation

4) Description of the process for calculating and auditing all KPIs

5) Description of TSP's quality training program, including a training syllabus, schedule, and methods of tracking the staff that have been trained; and

6) Description of procedures for identifying, controlling, and storing QA/QC documentation for the O&M Work

2.5 Document Control (this section is being left as is for future RCTC expansion work)

2.5.1 General

Document control is an integral part of RCTC's proactive project management process for all RCTC projects. TSP shall use an electronic document control system (DCS) to track and manage all Toll Services documentation. The DCS shall not be a proprietary system and RCTC and its agents shall be able to access it. The DCS shall ensure that all incoming and outgoing Toll Services documentation is electronically and physically accounted for and filed.

TSP shall work with RCTC to ensure that the RCTC and TSP systems and processes are compatible. TSP's DCS shall be subject to RCTC review and approval**.** TSP shall work with RCTC to create a format that works for both RCTC and TSP.

The TSP shall establish and maintain a DCS prior to issuance of NTP2 and shall maintain the DCS throughout the Term. The TCS shall be accessible to both the TSP and RCTC from the Project office and remote locations. The Parties shall use the DCS to exchange drawings, technical reports, specifications, submittals, calculations, control of materials, meeting minutes, correspondence to and from RCTC, and other Toll Services documents. The TSP shall also establish document routing, filing, control, and retrieval methods that are compatible with RCTC's DCS. Document control, storage, and retrieval methods shall include the use of both hard copies and electronic records. The TSP's DCS shall manage all of the documents for the Toll Services. The TSP's DCS shall be established and operational no later than 30 days after NTP1.

TSP shall provide training and DCS support to all RCTC employees and RCTC representatives who require access to the DCS, including all reviewers of project documents. If applicable, the TSP shall provide all licenses for RCTC use of the DCS.

In addition to TSP's obligations set forth in Contract Section 13, at the end of the Term, the TSP shall provide all paper copies and electronic files in an organized filing system broken down into the D&D Phase and O&M Term to RCTC within 60 days of the end of the Term.

2.5.2 Project File Format

Unless otherwise specified, files submitted to RCTC shall be subject to Section 2.5.2. Graphics shall be submitted in TIF, GIF, JPG, or PDF file formats (compressed image formats only). These formats are intended for photos, conceptual sketches, and other uses. Data files contained in a database or a spreadsheet shall be in one of the following formats:

1) Microsoft Access;
2) Microsoft SQL; or
3) Microsoft Excel.

All links between non-graphical data and graphic elements, relationships between database tables and report formats shall be maintained. TSP shall provide the database file in the preferred file format as directed by RCTC.

Any documents such as reports, photographs, and manuals that use a variety of Software packages and file formats shall be submitted as PDFs (version 7.0 or later), in addition to being submitted in the native editable file format.

2.5.3 Submittals

2.5.3.1 Submittals and Review Process

TSP shall prepare all required submittals in the form specified by these TPs and Contract Section 30.

All deliverables identified in these TPs shall be in the English language and all plans shall be submitted to RCTC for its review and approval. All plans and documentation shall be submitted within the times as specified in these TPs for RCTC review in accordance with the process specified in the Contract. Unless expressly stated otherwise in the Contract, RCTC shall have 20 Business Days for review of initial submittals.

Approval of documents by RCTC shall not relieve or limit TSP's obligation to provide a TCS in full compliance with the Contract. Deviations from the Toll Services requirements that may be contained within TSP submitted documents shall not modify Contract requirements even if the document is approved by RCTC unless TSP has specifically brought the Deviation to RCTC's attention in writing and RCTC has expressly provided its written approval of the Deviation in accordance with the process for approval of changes set forth in the Contract.

TSP shall maintain a complete library of all approved Toll Services documentation. Submittals shall not include changes to the Toll Services. RCTC's review, responses, and/or comments are not an authorization for changes in the Toll Services.

Submittals shall be in a format compatible with Adobe Acrobat, Microsoft Word, Primavera P6 and Microstation, as applicable. Unless otherwise agreed to by RCTC, TSP shall submit three (3) hard copies and one (1) electronic copy of each submittal package, including draft and final

versions. All submittals sent to RCTC shall contain the following information at the top or on the first page of the document being sent:

1) RCTC Project name and Contract number;
2) Document type, such as letter, letter of transmittal, deliverable, and submittal; and
3) Document number, unique for the type of document. If any revisions are made to the original document, the same unique number shall be used with a revision number added.

In the case of a submittal endorsed "Approved," by RCTC, TSP may proceed to implementation of the contents of the submittal package or further development, as applicable.

In the case of a submittal with comments, TSP shall be responsible for documenting all comments received from RCTC and the corresponding resolution. TSP may request a formal comment resolution meeting by notifying RCTC at least five (5) Business Days prior to the requested date of the meeting. Unless otherwise agreed to by RCTC, TSP shall update the submittal based on RCTC's comments and resubmit within 10 Business Days for RCTC review and approval**.**

RCTC may reject any submittal where information submitted is considered, by RCTC, in its sole discretion, insufficient to conduct a proper review or actions arising from the review require significant revisions or otherwise not in accordance with the Contract. TSP shall be responsible for making necessary corrections to the submittal and resubmitting it to RCTC. RCTC shall have 20 Business Days after receipt of the submittal, to approve, comment or reject the submittal. The process shall continue until the submittal is endorsed "Approved" by RCTC.

Supplemental supporting information to any submittal under review may be requested by RCTC. TSP shall supply such information in the form and within the timeframe requested by RCTC. RCTC may reject a submittal if supplemental supporting information requested by RCTC is not provided by TSP.

2.5.3.2 Document Control Work Plan

TSP shall prepare and submit a Document Control Work Plan to RCTC for review and approval prior to NTP2. The Document Control Work Plan shall describe how documents will be named, tracked, submitted, routed and reviewed and shall include the following, at a minimum:

1) File structure and relationship with the WBS;
2) Naming convention and resubmittal naming convention;
3) DCS procedures, including incorporation of documents into the DCS, document deletion procedures, and DCS backup and recovery;
4) Flow charts depicting the routing and processing of documents;
5) Persons involved in document control and their responsibilities;
6) The handling and filing of hard copy documents;
7) Review processes; and
8) Submittal log in DCS.

2.5.3.3 Project Completion

Prior to TCS Acceptance, TSP shall deliver to RCTC a full and complete backup of the DCS. This backup shall include all documents in electronic format.

TSP shall provide a final file structure and index for the electronic archived documents. Written instructions and procedures for use of the TSP's Software pertaining to the archived documents shall also be provided.

2.6 Project Schedule

2.6.1 General Requirements

The Project Schedule defines the timeframe for completion of the D&D Work and achievement of schedule milestones, Payment Milestones, and Completion Milestones, and is used to monitor progress and denote changes that occur during the D&D Phase. TSP shall undertake and perform the D&D Work in accordance with the Project Schedule, which shall form the basis for payment and invoicing for the D&D Work. There are 6 components of the Project Schedule listed below and more fully described in Section 2.6.4.

1) Preliminary Baseline Schedule
2) Baseline Schedule
3) Monthly Progress Schedule
4) Four-week look ahead schedule
5) Cost and schedule impact analysis, as needed
6) Recovery Plan schedules, as needed

2.6.2 Project Schedule Submission Process

The TSP shall prepare a single hard copy of all Project Schedules submitted to RCTC, sorted by work breakdown structure (WBS), on full-size (11 X 17) color plot sheets, along with an electronic version of the Project Schedule in both .xer and .pdf format. E-mail is an acceptable method for sending the electronic Project Schedule to RCTC.

TSP shall provide a separate narrative report that describes, in general fashion, TSP's proposed methods for performing the D&D Work required by the Contract.

RCTC's approval of a Project Schedule shall not:

1) Imply approval of any particular construction, installation or other methods or relieve TSP's responsibility to provide sufficient materials, Equipment, and labor to guarantee completion of the D&D Work in accordance with the Contract;
2) Attest to the validity of assumptions, activities, relationships, sequences, resource allocations, or any other aspect of the Project Schedule; or
3) Imply TSP is entitled to any Change Order extending a Completion Deadline or adjusting the Contract Price.

Failure to include any element of D&D Work required by the Contract in the Project Schedule shall not relieve TSP of its responsibility to perform such D&D Work; and the Project Schedule (including the Baseline Schedule) shall not modify the Contract.

2.6.3 Project Schedule Development

The Project Schedule shall reflect the following information, at a minimum:

1) *Work Breakdown Structure.* Project Schedule shall be organized in accordance with the WBS. Each Project Schedule activity shall be mapped to one and only one of the WBS elements.

2) *Activity Identification.* A unique identification number shall be used for each Project Schedule activity. Changes to activity IDs shall not be permitted. Consistent activity identification numbers, textual descriptions, and codes in all Project Schedule submittals shall be used, in a way acceptable to RCTC. Each Project Schedule submittal shall be clearly identified. Resubmissions of Project Schedules shall use the same revision number as the original submission individually identified by a sequential appended letter (A, B, etc.), as an indication of a revised version.

3) *Cost allocation.* All Payment Milestones must be represented by cost-loaded activities logically linked in the Schedule.

4) *Milestones.* Each schedule milestone and Payment Milestone shall be separately identified, conforming to the scheduling requirements set forth in the Contract.

5) *Activity Information.* D&D Work shall be divided into activities with appropriate logic ties to show TSP's overall approach to the planning, scheduling, and execution of the D&D Work. Duration and logical relationships of the activities shall be based upon the actual duration and relationships anticipated.

6) *Constraints.* Activities shall not be constrained unless accepted by RCTC. Calendar dates or constraints shall not be used to begin or complete any D&D Phase activity unless calendar dates are shown in these TPs or Contract. Unspecified schedule milestones, constraints, Float suppression techniques, or use of activity durations, logic ties, and/or sequences deemed unreasonable by RCTC, shall not be used in the Project Schedule. Any Project Schedule showing an early completion date shall show as Float the time between the scheduled completion date(s) and the applicable Completion Deadline(s).

7) *Progress.* Actual progress shall be shown in the Monthly Progress Schedule.

8) *Logic.* Only accepted logic changes and work changes shall be incorporated into the Project Schedule.

1) *Schedule Narratives*. TSP shall provide a stand-alone narrative with sufficient detail to explain the basis of each Project Schedule submittal. The narrative must describe the activities and how the activities interrelate and how activity durations were determined through TCS Acceptance. The schedule narrative shall include the following information:

   a. For the Baseline Schedule submittals, the design and deployment philosophy supporting the approach to the D&D Work, including the reasons for the sequencing

of D&D Work and descriptions of any limited resources, potential conflicts, and other salient items that may affect the Project Schedule and how they may be resolved.

b. For all subsequent Project Schedule submittals, TSP shall describe any changes to the approach to the D&D Work provided in the narrative for the Baseline Schedule, including the reasons for any re-sequencing of D&D Work.

c. Provide the justification for any activity with a duration exceeding 20 days.

d. Provide the justification for constraints used.

e. Provide the justification for all calendars used.

f. Describe the approach used to apply relationships between activities, including a list of activity relationships with lags and the justification for the use of each lag (e.g., all ties are based on physical relationships between D&D Work activities).

g. Identify challenges that may arise associated with Critical Path activities. Walk through, analyze, and describe the Critical Path elements. Advise why this path is critical and identify any near critical elements that may become Critical Path elements.

9) *Software.* TSP shall use scheduling software compatible with Primavera Project Planner (latest version).

10) *Calendars.* Calendars shall be provided by RCTC to the TSP for use in the scheduling software.

11) *Retained Logic*. TSP shall use the retained logic method of calculating the schedule to assure that the original Baseline Schedule logic is used as TSP executes the Work. This applies to all components of the Project Schedule.

2.6.4 Schedule Deliverable Requirements

TSP shall prepare and submit to RCTC the following Project Schedule deliverables:

1) Preliminary Baseline Schedule

2) Baseline Schedule

3) Monthly Progress Schedule

4) Four-week look ahead schedule

5) Recovery Plan, as needed

6) Cost and schedule impact analysis, as needed

2.6.4.1 Preliminary Baseline Schedule

TSP shall prepare and submit a Preliminary Baseline Schedule as part of its Proposal. The Preliminary Baseline Schedule shall include activities and milestones and their respective durations, sequences, and interrelationships that represent TSP's plan for completing the D&D Work. The Preliminary Baseline Schedule shall clearly show the durations, sequence and interrelationships from each of NTP1 and NTP2 by reference to the number of days from each of NTP1 or NTP2, as applicable (i.e. NTP1 or NTP2 plus "x" days). Upon issuance of NTP1, TSP

shall update the Preliminary Baseline Schedule to include revised hard dates for all activities required to be completed prior to NTP2 based on the actual date of issuance of NTP1 and the durations, sequence and interrelationships shown in the Preliminary Baseline Schedule. All other dates (i.e. for work to be done after NTP2) shall clearly show the durations, sequence and interrelationships from each of NTP1 and NTP2 by reference to the number of days from each of NTP1 or NTP2, as applicable.

The Preliminary Baseline Schedule forms the basis of the Baseline Schedule to be utilized during the Toll Services as defined in these TPs. Acceptance of TSP's Proposal and award and execution of the TSP Contract shall not be construed as RCTC approval of TSP's Preliminary Baseline Schedule or any subsequent Project Schedule submittal (including any assumptions made by TSP as to the actual dates of NTP1 and NTP2).

The Preliminary Baseline Schedule shall, at a minimum, include the following information and shall be limited to a maximum of 250 activities/milestones:

1) All key activities, milestones and deliverables relating to the D&D Work.
2) A summary of major risks to the Preliminary Baseline Schedule with an explanation of planned contingencies and an approach to dealing with these risks, should they arise.
3) Brief narrative description including:
    a. Description of system for preparing and updating the Baseline Schedule
    b. Description of the proposed plan to integrate design and Subcontract activities into its scheduling and reporting system.
    c. All planned key Interfaces with the DB Contractor, including TSP civil requirements, plan reviews, and Package turnover dates.

2.6.4.2 Baseline Schedule

TSP shall use the Preliminary Baseline Schedule submitted with the Proposal as a foundation to prepare the Baseline Schedule. TSP shall submit a draft Baseline Schedule, including D&D Work activities that complies with the requirements of this section, for review and approval by RCTC before issuance of NTP2.

The Baseline Schedule submitted prior to NTP2 shall include activities and milestones and their respective durations, sequences, and interrelationships from NTP2 by reference to the number of days from NTP2 (i.e. NTP2 plus "x" days). Upon issuance of NTP2, TSP shall update the Baseline Schedule to include revised hard dates for all activities based on the actual date of issuance of NTP2 and the durations, sequence and interrelationships shown in the Baseline Schedule. In addition, TSP shall also incorporate the Substantial Completion Deadline provided in the DB Contract at NTP2 into the Baseline Schedule provided that Substantial Completion Deadline shall be subject to adjustment as provided in notices from the DB Contractor under Sections 8.8 and 8.9 of the Contract.

The Baseline Schedule shall be used to coordinate all activities of the D&D Work, including those with other entities, such as Subcontractors, vendors and Suppliers, Utility Owners, Local Agencies, the Department, RCTC and the DB Contractor.

TSP shall address the following with as much detail as required to fulfill all the following requirements:

1) The proposed approach to accomplish the D&D Work shall be accurately reflected. All major D&D Work activities required under the Contract shall be included in sufficient detail to monitor and evaluate progress of the D&D Work. For each major activity, the duration, in days, required to perform the activity and the anticipated beginning and completion date of each activity shall be indicated. The sequence of performing each major activity and the logical dependencies and inter-relationships among the activities shall also be indicated. A complete and logical plan that can realistically be accomplished for executing the D&D Work defined in the Contract shall be defined. The Baseline Schedule shall comply with the phasing, D&D Work constraints, DB Contractor interfaces, schedule milestones, Completion Milestones, and Payment Milestones specified in the Contract, as well as other contractual terms and conditions. Sufficient activities for adequate D&D Work planning, including Subcontractor, third-party, vendor, and Supplier activities shall be included. The schedule shall contain activities to a level of detail acceptable to RCTC.
2) The Critical Path Method (CPM) Baseline Schedule resources shall contain hours and dollars.
3) TSP shall be solely responsible for all costs to maintain the Baseline Schedule.
4) There shall be at least one continuous Critical Path in the Baseline Schedule, using the longest path definition that starts at the earliest occurring schedule activity in the network (NTP1) and ends at the latest occurring schedule activity in the network:
    - Near-Critical Path activities shall be limited to no more than 15 percent of the activities. If 15 percent of the activities become critical, TSP shall present a plan to reduce the number of near-Critical Path activities to RCTC.
5) Clearly define significant interaction points with RCTC, DB Contractor and other entities such as Subcontractors, vendors and Suppliers, the Department, Utilities, and Local Agencies.
6) Designate the first data date as the day before issuance of NTP1.
7) Clearly and uniquely define each activity description so D&D Work is readily identifiable and the progress on each activity can be readily verified without measuring.
8) Relationships: Use the retained logic method of calculating the Critical Path of the Baseline Schedule and show the order in which TSP proposes to carry out the D&D Work with logical links between D&D Work activities and DB Contractor interfaces.
9) Ensure that all activities have at least one predecessor, except for issuance of NTP1, and one successor, except for the finish schedule milestone.
10) Use schedule milestones to define significant contractual events, such as NTPs; Completion Deadlines; completion of segments of D&D Work; and coordination points with outside entities.

11) Include a well-defined activity coding structure that allows D&D Work activities to be sorted by type of D&D Work, location of D&D Work, WBS, or as mutually agreed to by TSP and RCTC. Coordinate the use of activity codes and user-defined fields with RCTC prior to the initial submission of the Baseline Schedule. Specific required codes are delineated below.

12) Include activities for design and design reviews that are broken down into sufficient detail that they may be monitored. Include third party reviews and DB Contractor reviews.

13) Include cost-loaded activities for mobilization and equipment deliveries that comply with the Contract.

14) Typical durations. Durations of activities shall be on the order of one week. To achieve this, steps may be used to reduce the number of small duration activities. Level of effort activities may be larger based on agreement between RCTC and the TSP. Each activity depicting TSP's operations shall have a duration of no more than 20 Business Days, and not less than one (1) Business Day, except as otherwise approved by RCTC.

15) Contiguous work. The schedule shall be set up such that work is contiguous, to the maximum extent possible,

16) Post Miles. An activity code shall be set up to identify post miles as applicable so that activities can be grouped and sorted by post miles.

17) Payment. The Payment Milestone (Contract Exhibit 19 schedule shall form the basis for payment and invoicing on this Contract. The Payment Milestone approach shall be incorporated into the schedule in the form of activities containing resources leading to the Payment Milestone itself. The week prior to the invoice submission TSP and the Subcontractor shall conduct a walk down of the D&D Work to agree on schedule progress. The value of all schedule activities shall sum up to the total value of the Contract.

18) Multiple shifts and weekend work. A code field shall be used to identify single, double, triple, and weekend work.

19) Related road closures. A code field shall be used to denote activities that require road closures. The code shall indicate whether it is a major (freeway) closure, or minor (everything else) closure.

20) Lags. Lags shall not be permitted unless accepted by RCTC. TSP shall not use Float suppression techniques or constraints unless approved by RCTC.

21) Submittal review. Submittals shall be followed by a review activity with a duration that is consistent with Section 2.5.3.1.

22) Interface Milestones. An interface milestone denotes the transition of work from one contractor to another. TSP activities that relate to DB Contractor activities shall be preceded and/or followed by an interface milestone. This interface milestone shall be used to link DB Contractor activities to TSP activities. TSP shall work with DB Contractor to define interface milestones. By way of example, if DB Contractor requires information regarding the placement of conduit from TSP, an interface milestone shall be set up in both TSP's and DB Contractor's respective schedules to identify the delivery of drawings from TSP to DB Contractor for each bridge and roadway package. Similarly, if TSP needs

to inspect infrastructure completed by DB Contractor, there shall be an interface milestone in both TSP's and DB Contractor's respective schedules related to inspection and acceptance of such infrastructure.

23) TSP shall include a listing of all submittals as called out in the Contract.

2.6.4.3 Monthly Progress Schedule

TSP shall prepare and submit the Monthly Progress Schedule to RCTC each month during the D&D Phase, commencing after issuance of NTP1, until the closing date for Final Payment for the D&D Work.

TSP shall change the data date to the start of the next day after the end date of the fiscal month. The Monthly Progress Schedule shall reflect:

1) Progress of D&D Work within five (5) Business Days prior to submission;
2) Accepted changes in D&D Work scope and activities modified since submission;
3) Delays in submittals, or re-submittals, deliveries, or D&D Work;
4) Adjusted or modified sequences of D&D Work;
5) Revised projections of progress and completion; and
6) Report of changed logic.

Out-of-Sequence Progress. Activities that have posted progress without all preceding logic being satisfied will be allowed but shall be listed in the write-up for the schedule narrative.

Unacceptable Monthly Progress Schedule: TSP shall make requested corrections and resubmit Monthly Progress Schedule within ten (10) Business Days.

Errors and Unrealistic and/or Unreasonable Logic. In the event that any issues are discovered such as errors or unrealistic or unreasonable logic in activity duration, status information, mathematical analysis, progress reports, pay estimates, or other issues, RCTC may require TSP to correct, revise and resubmit the Monthly Progress Report for approval. Any payment amount made on the basis of such error, or unrealistic or unreasonable component, parameter or result may be adjusted by RCTC in subsequent payments.

TSP shall show actual progress in the Monthly Progress Schedule. Approved logic changes and D&D Work changes must be incorporated into the Monthly Project Schedule. Each Monthly Project Schedule submittal must clearly and individually define the progression of the Work within the applicable timeframe by using separate design and deployment activities.

TSP shall show actual progress for each activity, including:

1) Actual start and finish dates for completed activities;
2) Actual start dates, percentage complete, and remaining duration for activities in progress;
3) Projected sequences of activities for future Work;
4) Revised relationships and durations for unfinished activities, if warranted; and

5) A well-defined Critical Path using the retained logic method of calculating the CPM schedule.

Concurrent with the draft invoice submittal, TSP shall submit the Monthly Progress Schedule for review and comment by RCTC, and for discussion at the Progress Meeting, as set forth in Section 2.2.2 and Contract Section 18.4. The invoice amount must match 1) the progress amount on the Monthly Progress schedule, and 2) the Payment Milestone amount.

Along with the Monthly Progress Schedule, TSP shall provide a narrative describing, at a minimum:

1) Work performed during the relevant period.
2) Problems or delays that have been experienced to date, the Party responsible for the problems or delays, and TSP's plan to resolve the problems or bring the delayed activities back on schedule.
3) Differences between the Work performed and the Work planned for the period, including explanations for the difference.
4) The current Critical Path for the D&D Work, explaining any changes since the last update and the causes and impacts of these changes on the D&D Phase duration.
5) Reasons for and impacts resulting from all of the following, as applicable:
    a. Added or deleted activities
    b. Changes in activity durations
    c. Changes in relationships between activities
    d. Addition or deletion of constraints
    e. Changes to calendars
    f. Changes to budgeted costs
    g. Changes to resources
6) The D&D Work to be accomplished during the next period. Provide reasons for difference from the previous schedule update and the potential impact of these changes on the D&D Phase completion date.
7) Potential problems that may be encountered during the next period and the proposed solutions. Identify all potential problems RCTC may be party to and explain what action RCTC needs to take and the date by which the action needs to be taken to avoid the problem.
8) A list of activity relationships with lags and the justification for the use of each lag.
9) A list of pending items and their status for the following:
    - Governmental approvals
    - Contract changes
    - Time adjustments

- Noncompliance notes
- Impact delay analysis
- DB Contractor impacted items

TSP shall participate in monthly progress meetings or meetings held at the request of RCTC to review and discuss the status of the Toll Services. The TSP shall participate in DB Contractor schedule meetings. The monthly progress meeting will include discussion of differences in the Monthly Progress Schedule from the Baseline Schedule and the previous Monthly Progress Schedule. The causes, responsible Party, impacts, and potential solutions to all issues identified will be addressed in the meeting with the intent of finding the most effective solutions to problems through the following:

1) TSP shall make available the Project Manager, scheduler, and appropriate field personnel to participate in the monthly progress meetings.
2) TSP shall create an action item list that specifies who is responsible for resolving existing or pending issues and the date by which the issue must be resolved to avoid D&D Work delays.

RCTC will not process an invoice for payment until the Monthly Progress Schedule has been reviewed by RCTC, all RCTC comments have been incorporated by TSP, and RCTC has deemed the Monthly Progress Schedule acceptable. RCTC's acceptance of the Monthly Progress Schedule is for purposes of payment only and will not act as a revision to the Project Schedule.

TSP shall provide additional, separate, filtered reports of D&D Work activities based on the Monthly Progress Schedule with the D&D Monthly Progress Report shall include, at a minimum, the following:

1) Design document submittals for the forthcoming period;
2) Tabular report listing all activities with 10 Business Days or less Float;
3) 60-day look-ahead report identifying all RCTC and Governmental Approvals required;
4) 90-day look ahead bar chart schedule sorted by WBS and activity early start dates;
5) Critical items graphical report for each Critical Path sorted by activity early start date; and
6) Time-scaled Critical Path network plot indicating the status of all activities as of the date of the update.

2.6.4.4 Four-Week Look-Ahead Schedule

The four-week look-ahead schedule is a hand- or computer-generated bar chart that spans a forward-looking, rolling period of at least 20 Business Days. TSP shall base the four-week look-ahead schedule on the Baseline Schedule, and provide a greater breakdown of the Baseline Schedule activities for the purpose of coordination, inspection and testing. The four-week look-ahead schedule shall clearly note and explain any Deviations from the Baseline Schedule and shall reference the Baseline Schedule activity identification numbers and define subsequent specific daily operations for all Work activities scheduled to be performed during the four-week

period. TSP shall submit the four-week look-ahead schedule to RCTC weekly after approval of the Baseline Schedule.

2.6.4.5 Recovery Plan

Whenever a Recovery Plan is required under the Contract Documents, TSP shall provide, at a minimum, the following information:

1) Transmittal letter;
2) Electronic copy of the schedule layout;
3) .xer file used for the proposed Recovery Plan;
4) Narrative describing any proposed changes to the Baseline Schedule, in detail, with justification for the changes, including, at a minimum, the following:
    a. Changes to activity original durations;
    b. Changes to activity relationships and/or schedule logic;
    c. Identification of activities that have been added, deleted, or modified; and/or
    d. Changes to the Project Schedule's Critical Path.

TSP shall submit a Recovery Plan, including any associated schedules, narratives, and documentation to RCTC for review and approval.

2.6.4.6 Impacted Delay Analysis

If a Change or Eligible Change affects a Critical Path of the Project Schedule, TSP shall, as part of its Change Response or TSP Initiated Change Request provide an impacted delay analysis report showing the cumulative effect of the change on the fixed milestone date. Any revision to the Project Schedule associated with any time extension granted under Contract Section 20 shall not modify the early- and late-start cost curves of the Baseline Schedule, except with respect to activities that have been affected by the event that justifies the extension. TSP may reschedule activities not otherwise affected by the event to take advantage of additional Float available as the result of the time extension. Any such rescheduling must be reflected in the Baseline Schedule. Each impacted delay analysis must include, at a minimum, the following information:

1) How TSP proposes to incorporate the delay claim;
2) The impact of the delay claim to the Project Schedule;
3) The sequence of new and/or existing activity revisions that are proposed to be added to the Project Schedule that is in effect when the change or delay is encountered; and
4) The proposed method for incorporating the delay and its impact to the Project Schedule.

TSP shall submit schedules, narratives, and documentation supporting any impact delay analysis.

2.7 Health and Safety

TSP shall take all reasonable precautions and be solely responsible for the safety of, and shall provide protection to prevent damage, injury, or loss to, all persons throughout the Term and shall comply with all health and safety requirements under applicable Governmental Rules.

All systems and subsystems and operational and maintenance processes must be designed and implemented in a manner that promotes the safety and security of persons and property. TSP shall perform safety and health work in accordance with the following Governmental Rules and Standards listed in these TPS, the Caltrans Safety Manual, 2009 and otherwise in accordance with the Contract.

2.7.1 Health and Safety Plan

TSP shall prepare and submit to RCTC for review and approval a Health and Safety Plan to cover all aspects of the D&D Work including, at a minimum, details of training to be provided by TSP to its employees for safely performing D&D Work and incident reporting procedures along with a method of tracking safety issues. Additionally, during installation, testing, and commissioning and at any other time TSP is working on the I-15 Corridor, TSP shall follow the procedures and methods included in the DB Contractor's Health, Safety and Environmental Work Plan.

TSP shall develop, implement, and maintain a comprehensive task-specific written Health and Safety Plan and shall fully describe in the Health and Safety Plan the TSP's policies, plans, training programs, worksite controls, incident response plans and enforcement for the health and safety of personnel involved in the Project and the general public affected by the Project during the Term. The Health and Safety plan shall be submitted to RCTC for review and approval prior to NTP2.

The Health and Safety Plan shall address procedures for immediately notifying RCTC of all incidents arising in connection with the performance of the Work, whether on or adjacent to the Site.

At a minimum, the Health and Safety Plan must:

1) Be consistent with the insurance requirements for the Toll Services;
2) Describe the participation of safety personnel in all Work activities;
3) Delineate administrative responsibilities for implementing the safety program;
4) Identify responsibilities and accountability;
5) Identify full-time dedicated safety professionals or managers covering all Site Work;
6) Describe the process of conducting safety orientation for all employees. The description of the safety orientation process shall include the following:
    a. A description of the extent and nature of the Toll Services;
    b. A description of any hazards that can typically be expected during the course of Work that is specific to the job assignment;
    c. Required Work practices, job conduct, and injury-reporting procedures; and

d. Any other general information to acquaint the employee with special Work and safety requirements at the Site;

7) Describe the TSP's drug policy, including the policy at the Site and any pre-job Site and post-incident drug testing to satisfy Contract insurance requirements. Provide policy for promoting a safe, drug and alcohol abuse-free workplace. The policy must be consistent, fair, manageable, and subject to audit. Allow for disciplinary action or termination for an employee reporting for performance of the Toll Services under the influence of alcohol or a prohibited substance or possession of a prohibited substance;

8) Describe employee health and safety training requirements;

9) Describe safety inspection procedures of Work areas, materials, and equipment to ensure compliance with the safety program, methods of record keeping, and correction of deficiencies;

10) Describe incident and emergency response procedures for land-based and river-based incidents, including response capabilities, evacuation and egress, responsibilities for reporting and investigating incidents, exposures, contingency plans, and the maintenance of safety-related logs;

11) Describe incident reporting procedures;

12) Describe TSP's Site control policy and plans for maintaining Site cleanup, on-Site first aid facilities or medical clinic and safe access;

13) Identify public safety requirements (e.g., fencing, signs, barricades);

14) Describe TSP's hazard communication program;

15) Describe TSP's method of tracking open safety issues;

16) Describe hazard analysis, tracking, reduction of risk, logs, and mapping procedures;

17) Describe Personal Protective Equipment (PPE) requirements and policy; and

18) Describe safety procedures for TSP's employees working around and handling hazardous materials.

TSP is solely and completely responsible for safety conditions on the Site after turnover from the DB Contractor. Safety practices will not be limited to normal business hours or other time constraints. All TSP employees and Subcontractors at all tiers must comply with the Health and Safety Plan and Governmental Rules as required in accordance with California Occupational Health and Safety Act of 1973.

2.7.1.1 Safety Organization

The Health and Safety Plan shall clearly establish the specific chain of command and specify the lines of authority, responsibility, and communication with regard to safety compliance activities. The Health and Safety Plan shall specify which onsite personnel have the authority to stop onsite activities when unanticipated and/or uncontrolled hazards are recognized and also address those personnel with the authority to restart Site activities after the previously unrecognized hazards have been controlled. TSP's Project Manager, TSP's Construction Manager, and line safety

supervisor shall be responsible for safety, health, and environmental performance. The Health and Safety Plan shall specifically define the safety responsibilities of each level of supervision.

TSP shall establish standard operating procedures to guide employees in safe Work practices. TSP shall train and provide instruction to all employees, including managers and supervisors, on general and job-specific safety and health practices. Workplace safety and health training practices must include, at a minimum, the following:

1) Measures for reporting any unsafe conditions, Work practices, and injuries.
2) Use of appropriate clothing, including gloves, footwear, and PPE
3) Information about chemical hazards to which employees could be exposed and other hazard communication program information.
4) Availability of toilet, hand-washing, and drinking water facilities.
5) Provisions for medical services and first aid, including emergency procedures.

TSP shall provide specific instructions to each employee regarding hazards unique to his or her job assignment, to the extent that such information was not already covered in other training. Establish written safe Work practices covering all phases of the Work.

Job Hazard Analysis (JHA) and Training – TSP's goal must be to eliminate all personal safety risks and to eliminate or reduce jobsite operational/environmental risks. JHA training and planning must involve foreperson and workers as the day's work is outlined. Upon completion of the JHA, TSP shall conduct a training session with all employees involved with the particular task that has been analyzed. All employees involved with the task must discuss the hazards anticipated, equipment needed to work safely, and Personal Protective Equipment (PPE) to be provided and worn. The training may be informal and onsite where the task is to be performed. TSP shall provide employees an opportunity to provide input regarding task steps, hazards identified, and appropriate control measures. TSP shall document all JHA training. The Health and Safety Plan must outline the training plan.

General Safe Work Practices – TSP shall establish safety, health, and environmental compliance training program that includes requirements for general and Project-specific training. All levels of supervision must be present while training is occurring for safety, health, and environmental issues. TSP shall conduct, at a minimum, weekly safety and health meetings that are relevant to the specific types of Work comprising the Toll Services, which comply with California Code of Regulation (CCR), Title 8. TSP shall prepare documentation of meeting content and employee attendance. All TSP onsite staff must attend all Project safety meetings conducted by RCTC and the PCM. The Health and Safety Plan must outline TSP's general safe work practices.

Personal Protective Equipment (PPE) – TSP shall define specific PPE requirements for all employees for each task. At a minimum, provide a consistent type of high visibility safety vest to be worn by all personnel, as well as an American National Standards Institute (ANSI) approved hard hat, safety glasses with side shields, and sturdy work boots, specific for the job being performed. TSP shall ensure that all vendors and visitors wear hard hats, as well as other required PPE while on the Site. Anyone not complying with these requirements shall not be allowed to

enter the Sites or will be required to leave the Sites. The Health and Safety Plan shall include all required PPE for the Toll Services.

Accident/Incident Investigation – TSP's safety program shall include a system to investigate and report accidents and incidents and to retain safety, health, and environmental compliance records. TSP shall develop a list of site-specific requirements for documentation and reporting. Incidents that result in injury to an employee or damage to equipment or property require investigation and a detailed report. When such incidents take place, TSP shall initiate an investigation and notify appropriate individuals (RCTC, PCM, Department, etc.). TSP shall adhere to the Division of Occupational Safety and Health (DOSH) reporting requirements for any Work-related accident or illness causing serious injury or death to an employee. The Health and Safety Plan shall include the procedures for accident/incident investigation and reporting.

2.7.1.2 Compliance and Disciplinary Policy

The Health and Safety Plan shall provide safety and health policies and procedures that clearly communicate and will be understood by all employees, and that require all employees use safe Work practices; follow all safety directives, policies, and procedures; and play an active role in maintaining a safe Work environment. Managers and supervisors will enforce the rules fairly and uniformly. The Health and Safety Plan shall provide, and TSP shall implement, a disciplinary policy for all employees who fail to comply with safe and healthful work practices.

2.7.1.3 Emergency Action Procedures

The Health and Safety Plan shall include emergency action procedures for each identified potential emergency, notification requirements, and training, and shall identify those individuals responsible for implementing the procedures in the event that the emergency is realized. The potential for an emergency (fire, explosion, chemical release, etc.) exists on all Sites or areas where the Work is being performed. The emergency action procedures must identify the various response activities necessary to minimize the dangers and confusion associated with an emergency. The emergency action procedures must address fire, explosions hazardous materials, natural disasters, and civil disruptions.

2.7.1.4 Security Policies

The Health and Safety Plan shall include a section describing the policies and procedures to be implemented to protect employees, the public, property, equipment, and Toll Services supplies.

2.7.2 Noncompliance with Safety Program

RCTC and Department personnel may stop any activity that constitutes or is perceived to present a threat of imminent danger. If any conditions or activities may present an imminent danger that could result in serious injury, death, or extensive property damage, the affected portion of the Work will be stopped immediately and not recommence until the practices or conditions are corrected to the satisfaction of authorized representatives of TSP, RCTC and Department. TSP shall discipline and/or dismiss employees who violate established rules, safety procedures, and regulations. This includes immediate termination for serious violations, repeated violations, or the refusal to follow safety and health rules.

2.7.3 O&M Term

2.7.3.1 Office Safety Plan

TSP shall prepare and submit to Agencies for review and approval an Office Safety Plan describing TSP's policies, plans, training programs, emergency response plans and enforcement of safety throughout the CSC Commencement Period and the O&M Term. The Office Safety Plan shall be submitted to RCTC for review and approval 90 days prior to the CSC Commencement Deadline.

The Office Safety Plan shall include at a minimum the following information:

1) Standard procedures to guide employees in safe Work practices;
2) Description of the process of conducting safety orientation for all employees;
3) Employee training requirements;
4) Drug policy, including the policy at the Site and any pre-employment and post-incident drug testing;
5) Consistency with the Contract insurance requirements and any other applicable Contract requirements;
6) Description of accident prevention plans; and
7) Emergency management and evacuation procedures.

2.7.3.2 Roadside Safety Plan

TSP shall prepare and submit to RCTC for review and approval a Roadside Safety Plan that complies with all applicable Governmental Rules and best management practices for any roadside maintenance and operations activities performed by TSP. The Roadside Safety Plan shall be submitted to RCTC for review and approval 90 days prior to the Revenue Service Commencement Deadline and shall include the following, at a minimum:

1) Standard operating procedures to guide employees in safe work practices;
2) Demonstration of consistency with Contract insurance requirements and any other applicable Contract requirements;
3) Participation of safety personnel and competent persons in all roadside maintenance activities;
4) Employee training requirements and description of the safety orientation process;
5) Incident reporting procedures and method of tracking safety issues;
6) Method of identifying and tracking safety hazards;
7) Identification of any public safety requirements;
8) Cell phone safety;
9) Required safety training and certification processes;

10) Drug policy, including the policy at the roadside site and any pre-employment and post-incident drug testing; and

11) Personal protective equipment requirements.

2.7.4 Audits and Inspections

Agencies reserve the right to perform audits and inspections to confirm that TSP is following health and safety rules and procedures. A qualified safety representative from both Agencies will perform audits/inspections on a periodic basis.

TSP shall report any safety concerns to the applicable Agency within two (2) days of identification of the safety concern.

2.8 Data Security Plan

TSP shall prepare and submit to Agencies for review and approval during the CDR a Data Security Plan for operations of the TCS. The Data Security Plan shall embody the following key principles for the protection of data:

1) Data shall be protected from being corrupted by unauthorized changes, whether by system error, human error, or intentional alteration. Data shall only be modified by authorized users according to defined privileges and procedures. However, no data shall be deleted from the TCS in this process.

2) Data shall be protected from unauthorized disclosure. Access to systems shall be restricted to authorized users with privileges appropriate to the confidentiality of the data.

3) Data shall be prevented from being lost or becoming inaccessible. Authorized users shall be able to gain access to information to which they are privileged whenever they are authorized to do so. Encrypted business computers shall be used. Unprotected personal computers shall not be used.

TCS access shall be recorded in logs. Passwords shall be changed by end-users every three (3) months. TSP shall provide details for ensuring compliance with DMV security and access requirements. The TCS shall conform to the Payment Card Industry Data Security Standards (PCI DSS) and provide Agencies with the results of the annual PCI DSS audit within 30 days of the audit along with a plan of action to correct any deficiencies. TSP shall regularly audit the Data Security Plan and related activities to ensure compliance with the Contract and applicable Governmental Rules regarding the collection, retention and destruction of toll customer Personally Identifiable Information (PII).

2.9 Software Development Plan

TSP shall prepare and submit a Software Development Plan (SDP) to RCTC for review and approval during the PDR that establishes the framework used for the Software development of the TCS. The SDP shall describe the resources, tools, development platforms, business processes, data structures, security and methodology used for the Software development of the ETC, TMS, CSC and MOMS systems. The SDP shall describe the Software life-cycle approach

that emphasizes the necessary interfaces between various system development disciplines, i.e., Software developers, system engineers, test engineers, operations personnel, configuration management administrator, documentation specialists, project management staff, and Software maintenance personnel. The SDP shall define internal and informal testing along with official witnessed testing. The SDP shall address the process for testing and implementing changes to all Software elements prior to deployment and in a live production environment. TSP shall provide RCTC with adequate information and time to have final approval over all Software changes requested by the TSP. The SDP shall also include detailed information on the technical approach, problem reporting and tracking process, regression testing, Software configuration and change management, and other items pertinent to a complete plan for Software development for the Project.

2.10 Operations Plan

TSP shall prepare and submit to RCTC for review and approval an Operations Plan that documents TSP's approach to all aspects of the operations of the TCS. The Operations Plan shall be submitted 90 days prior to the CSC Commencement Deadline.

The Operations Plan shall, at a minimum, include the following:

1) Identification of each service and activity to be provided;
2) Details for performing the O&M Work (staffing levels, equipment lists, supplies list, use of Subcontractors, other service contracts, etc.);
3) Description of how Key Performance Indicators will be monitored, attained and maintained in accordance with the O&M QMP;
4) Description of how business emergencies (including higher level of expected phone calls, degraded mode) will be addressed including notification, manual work-arounds, back-up procedures and emergency approvals;
5) General guidelines and organization of Standard Operating Procedures, and training manuals;
6) Report structures, schedules, and deliverables;
7) Coordination with Agencies;
8) CSC Commencement activities;
9) Pre-Revenue Service Commencement Schedule;
10) Revenue Service Commencement checklist;
11) Ramp up plan;
12) Identification of efficiencies and process for implementation;
13) Management commitment to ongoing service;
14) Adjustment of staffing levels based on increases or decreases in the volume of calls and Violations;

15) VES procedures – e.g., notification and enforcement; and

16) QA/QC and continuous improvement processes.

TSP shall obtain Agencies' approval of any changes to the Operations Plan prior to implementation of any such changes.

2.10.1 Standard Operating Procedures

TSP shall prepare and submit to Agencies for review and approval written Standard Operating Procedures (SOPs), which detail all procedures necessary for administration and operations of the TCS, including the ETC system, CSC system, and TMS. SOPs shall be organized to include, at a minimum, the following:

1) Walk-In Center;
2) Call Center;
3) Image review;
4) Account maintenance;
5) Violation processing;
6) Transponder inventory management/fulfillment;
7) ROC IT maintenance;
8) Payment processing;
9) Mail processing (incoming/outgoing);
10) Systems monitoring;
11) Response to correspondence; and
12) Traffic Operations Center.

SOPs shall include an appendix of all applicable Business Rules. TSP shall update the SOPs annually throughout the O&M Term or more frequently as necessary to reflect any changes to the procedures and Business Rules.

2.11 Configuration Management of Hardware and Software

TSP shall prepare and submit to RCTC for review and approval a Configuration Management Plan (CMP) that encompasses both Hardware and Software. The CMP shall be submitted during the Preliminary Design Review. The plan shall show how the TSP will provide strict control over configuration management. The plan shall include a process for establishing and maintaining consistency of the TCS and back office functional and physical attributes with the Contract requirements, along with design and operational information throughout the life of the Hardware and Software. The CMP shall address configuration management for Software and Hardware throughout the Term. The CMP shall provide for a process for notification of the applicable Agency of all changes to Software and Hardware. TSP shall provide adequate information regarding

implementation and integration of the change, impact on the TCS, and testing. All Software and Hardware changes shall be approved by the applicable Agency prior to implementation.

2.11.1 General Specification

The TSP shall establish and implement configuration control policies and procedures related to the Hardware and Software for all furnished Equipment and systems. The CMP shall contain the required policies and procedures for tracking and archiving changes made during the D&D Phase and the O&M Term.

The policies and procedures provided in the CMP shall establish and maintain the integrity and control of Software and Hardware products and documents supplied by the TSP during the development life cycle and into O&M. The CMP shall address the management and control of content, change, and status of shared information during the D&D Phase including performance requirements, functional and physical requirements, and design and operation information.

The CMP shall include both technical and administrative processes for the control of change of the TCS system, data and documentation. The CMP shall identify the configuration of the Software and Hardware, including commercially-off-the-shelf (COTS) products and provide system, data and documentation integrity and traceability throughout the TCS's life cycle.

The configuration management function shall establish strict controls over the baseline Hardware and Software design configurations. Interchangeable items of the system shall be identified with a unique identifying number and revision, version, or release number. Changes to form fit, or function of any component, module, or subsystem shall be identified by a change in revision.

The CMP shall specify an identification system to assign unique identifiers to each configuration item. It shall also specify how different versions of each are to be uniquely identified. Identification methods shall include naming conventions and version numbers and letters.

The CMP shall describe the methods for naming controlled items for purposes of storage, retrieval, tracking, reproduction, and distribution. Activities may include version marking, labeling documentation and executable software, serialization, and altered item marking for executable code.

The configuration management function shall maintain an audit trail that documents all changes made to the Hardware and Software products and ensures that these changes are properly reflected in respective documentation. Revised documents shall be controlled by a revision code added to the document number.

2.11.2 Responsibilities

The TSP's configuration management support staff shall have the following responsibilities during the D&D Phase:

1) Identify and document the functional and physical characteristics of the System, Software, Hardware, and operational components so that these relationships may be managed, maintained, controlled, and assured.

2) Record and report the status of proposed changes consistent with the established CMP, approval of any proposed changes, and the status of the implementation of approved changes.

3) Disseminate baseline information to RCTC and establish and maintain a status accounting and reporting system that records the baseline, authorized changes to the baseline, and verification of changes incorporated into the documentation and/or product.

2.11.3 Hardware Configuration Control

All Hardware installed shall have all configurations documented and checked into a revision control system. Configurations shall include vendor, model, part numbers, onboard device configuration, memory, storage, etc. Configuration control functions shall include installation as well as replacement procedures for documenting changes.

2.11.4 Software Configuration Control

All Software provided for the TCS shall be under a configuration and revision control system, during the Term. At the completion of each phase of product development; unit test, integration test, factory acceptance test, installation, and operations, TSP shall create a unique version number and date for Software.

The Software development phase of the D&D Phase is identified as a baseline phase and is used by succeeding phases. Baseline products shall be controlled and protected from arbitrary changes. All changes to the baseline require a formal change request to RCTC supported by results of change in test environment and plan for implementation into the production environment. Baselines previously approved will not be changed without prior approval by RCTC. All approved changes are recorded in software or hardware project change logs.

For each Software system, subsystem, or component, there shall be a build script. Each build of a system shall be placed under revision control as well to ensure any patches or service packs applied to the build image are tracked appropriately.

All configuration and installation procedures for software shall be documented and placed under revision control with each Software release. It shall be the TSP's responsibility to verify the appropriate versions of packaged Software is installed.

2.12 Coordination of the Work

The TSP shall coordinate its Work with all adjacent design and construction efforts for the Project. The TSP shall coordinate the Work and monitor such adjacent work, whether performed by the DB Contractor, Department or another Governmental Agency, community groups, landowners, Utility Owners, Utility Owner's consultants, resource agencies, environmental groups, or any other organization. The TSP shall be aware of the impact all such adjacent work may have on the Toll Services and shall account for all such work in performance of the Toll Services. The TSP shall be responsible for reviewing plans for adjacent work and providing RCTC with written comments on adjacent work that may result in potential impacts on the Toll Services.

2.12.1 General

RCTC is planning on entering into a separate contract with a DB Contractor for the design and construction of the tolling infrastructure. During the D&D Phase the TSP shall provide a TCS Infrastructure Design Document as described in Section 4.2 to inform the DB Contractor of all the civil infrastructure needs necessary for performance of the Toll Services in accordance with this Contract

The TSP shall furnish materials that will be installed by the DB Contractor.

The Demarcation Matrix and figures in Section 19.3 sets forth the components of the I-15 Express Lanes Project for which TSP and DB Contractor will be respectively responsible. The Demarcation Matrix is a non-exhaustive list of components required for the I-15 EL.

TSP shall coordinate with DB Contractor to establish electrical power and communication/data service requirements for each roadside equipment location. DB Contractor will be responsible for working with the utility company and making application for the necessary electrical services for the roadside equipment locations. DB Contractor will provide the required power to the designated toll Sites to be finalized during DB Contractor design.

TSP shall specify, furnish and install all roadside cabinets onto foundations or mounting surfaces to be provided by the DB Contractor in accordance with the TCS Infrastructure Design Document provided by TSP.

TSP shall coordinate with RCTC and the DB Contractor on the design and installation of Variable Toll Message Signs (VTMS) light emitting diode (LED) panels onto VTMS sign structures. TSP shall review DB Contractor's plans, specifications, and shop drawings related to the mounting of TSP's VTMS LED panels onto VTMS sign structures and static signs. TSP, RCTC, and DB Contractor shall coordinate on the construction of a mock-up of the VTMS LED panels onto a VTMS sign structure and static sign to demonstrate the installation process and mounting design. TSP shall furnish and install the VTMS LED panel for the mock-up. Location and orientation of the mock-up shall be coordinated between TSP and DB Contractor and approved by RCTC. Timing of the mock-up construction shall be determined during coordination meetings.

TSP shall coordinate with DB Contractor for the installation of VTMS LED panels onto the VTMS sign structures and static sign panels provided by the DB Contractor. TSP shall install the VTMS LED panels onto DB Contractor's VTMS sign structure before DB Contractor installs the whole assembly over the roadway.

TSP, RCTC, and DB Contractor shall coordinate on the unveiling of all roadway signage, including VTMS, in preparation for Revenue Service Commencement.

TSP shall take all necessary precautions to see that no damage is done to any existing structures due to performance of the D&D Work. In the event that any structure is damaged due to TSP act or omission, such damage shall be repaired immediately at TSP's expense and to the satisfaction of RCTC in coordination with DB Contractor.

2.12.2 Review of DB Contractor's Design

TSP shall conduct an Infrastructure Design Review as described in Section 4.2 to inform the DB Contractor early of all civil infrastructure needs necessary for performance of the Toll Services in accordance with the Contract.

TSP shall meet with RCTC and DB Contractor and their representatives to discuss civil plans, specifications, and Contract terms to ensure the TSP's complete understanding of the proposed DB Work.

TSP shall review and provide written comments on DB Contractor's 65 percent plans, 95 percent plans, and any other sets of plans and specifications within 15 Business Days of receipt. Lack of comments from TSP after 15 Business Days shall imply TSP approval of DB Contractor plans.

TSP shall incorporate the latest version of the DB Contractor's civil design available at the time of the development of the Preliminary Design Document (PDD), Critical Design Document (CDD) and Final Design Document (FDD).

2.12.3 Civil Coordination Meetings

TSP shall participate in regular meetings with DB Contractor and provide comments on the civil design and construction required for the D&D Work. TSP shall participate in design reviews, tolling task force meetings and over the shoulder reviews. TSP shall update design documents, Project Schedule, and the Installation Plan, as necessary.

TSP shall attend any DB Contractor staging concept meetings to coordinate and define the OFIT Zone.

2.12.4 Civil Site Acceptance Checklist

TSP in conjunction with RCTC or its designated representative shall inspect work completed by DB Contractor and promptly report to RCTC any discrepancies or defects in such construction of which TSP has knowledge that would render the DB Work unsuitable for proper execution of the Toll Services by TSP as described in the Contract.

TSP shall create and use a Civil Site Acceptance Checklist to verify that civil infrastructure elements at toll equipment locations where TSP will install TCS Equipment are suitable for proper execution of the D&D Work. The checklist shall include but not be limited to: gantry, controller cabinet pads, conduits, pull boxes, pull ropes, closed-circuit television (CCTV) poles, roadway pavement, and electrical power. The TSP shall include the proposed form of the Civil Site Acceptance Checklist as part of the Installation Plan.

For each roadside equipment location included in a Turnover Area, TSP shall submit a completed Civil Site Acceptance Checklist to RCTC in accordance with Contract Section 8.8.4 with a courtesy copy to DB Contractor, initialing every element inspected. TSP shall immediately provide Notice to RCTC of any deficiency found during the inspection, including identification of any items that would render DB Work unsuitable for proper execution of the Toll Services by TSP as described in the Contract and prevent TSP's takeover of the roadside equipment location.

Upon successful completion of the Civil Site Acceptance Checklist, TSP shall provide its written certification that there are no deficiencies in the subject roadside equipment location and that the DB Work at such location is suitable for TSP's performance of the D&D Work at such location,

and shall submit the completed Civil Site Acceptance Checklist to RCTC. Delivery of such certification shall constitute TSP's acceptance of the condition of the relevant DB Work as suitable for TSP's performance of the D&D Work at such location.

2.12.5 Communications Network Acceptance Checklist

TSP shall prepare and use a Communications Network Acceptance Checklist to verify that the communication network provided by DB Contractor is suitable for proper execution of the Toll Services. The form of Communications Network Acceptance Checklist will be included as part of the Installation Plan. TSP shall be responsible for conducting field inspections at the same time RCTC or a RCTC representative conducts their field inspection.

TSP shall submit the completed Communication Network Acceptance Checklist to RCTC in accordance with Contract Section 8.8.4 with a courtesy copy to DB Contractor. TSP shall immediately provide Notice to RCTC of any deficiency found during the inspection, including identification of any items that would prevent turnover of Package 4 to TSP.

Upon successful completion of the Communication Network Acceptance Checklist, TSP shall provide written certification that there are no deficiencies in the Communication Network. Such certification shall constitute TSP's acceptance of the DB Work related to the Communication Network. TSP will be responsible for monitoring and maintaining the Communications Network after turnover until end of the Term.

2.12.6 Environmental and Safety Compliance Training

TSP shall attend environmental and safety compliance training sessions administered by DB Contractor.

2.12.7 Media Relations

All communication with news media (including print, broadcast or internet media) relating to the Toll Services or this Contract is to be made only by RCTC, unless otherwise agreed to in writing by RCTC. In no event shall the TSP make any public statements regarding the I-15 EL Project to any media organization, including television, radio, newspaper, magazine, or internet sites, unless otherwise authorized in writing by RCTC. The TSP will refer any media contact immediately to RCTC. Media representatives are not allowed on the Site unless accompanied by a representative of RCTC or the PCM.

In case of construction accidents, the TSP is strictly prohibited from giving any information to the news media. In such event, spokespersons for RCTC will manage all media inquiries. Information to police authorities may be given.

The TSP shall not use RCTC's name or photographs of the I-15 Express Lanes Project in any professional publication, magazine, trade paper, newspaper, internet site, seminar, community presentation or other medium without first receiving RCTC's written consent.

TSP will not be responsible for media relations but shall support RCTC in its media relations efforts. To the extent DB Contractor is responsible for media relations or public involvement TSP shall coordinate its Work to support and minimize disruption to DB Contractor's efforts.

2.12.8 Public Records Requests and Customer Inquiries

TSP shall support RCTC in responding to Public Records Act requests and customer inquiries. TSP shall notify RCTC within 24 hours of receipt of such requests and assist RCTC in preparing responses to such requests.

2.13 Disadvantaged Business Enterprises

TSP shall be responsible for the development of a DBE Program Performance Plan, to ensure compliance by TSP and its Subcontractors with applicable provisions of the Contract and Governmental Rules (specifically Title 49 CFR Part 26). The DBE Program Performance Plan shall be submitted to RCTC for review and approval prior to NTP2.

TSP shall provide a DBE Program Administrator to administer the DBE Program Performance Plan. The DBE Program Administrator should, at a minimum, demonstrate the following:

1) Past good faith efforts to gain DBE participation on federal-aid construction contracts;
2) Performance of technical assistance and outreach to DBE firms;
3) Preparation of monthly (or similar ongoing report) and end of contract DBE attainment reports; and
4) Oversight of DBE program-related commercially useful function requirements.

2.14 Incident Management Plan

TSP shall prepare and submit for review and approval by Agencies an Incident Management Plan designed to assist in providing timely, safe and effective management of and response to vehicle accidents and other significant incidents that occur in the ELs or affect the operation of the TCS. The Incident Management Plan shall be submitted 120 days prior to the Revenue Service Commencement Deadline. The Incident Management Plan shall, at a minimum, account for varying incident scenarios and include solutions and strategies for each scenario. The Incident Management Plan shall clearly define roles and responsibilities along with procedures, and timeframes. The Incident Management Plan shall be developed through workshops, coordinated by TSP, with the Stakeholders. The Incident Management Plan will clearly define the actions to be taken for incidents: changing the messages on the VTMS, updating the customer website, coordinating with CHP, Department, and the Freeway Service Patrol, restoring full operations, and reporting on the incident, and collecting and providing information about any third parties that have caused a loss in toll revenue and/or damage to the facility or equipment.

2.15 Express Lanes Performance Monitoring Plan

The 91 Express Lanes Incident Management Plan and Traffic Operations Center Standard Operating Procedures are provided as attachment 2 to the proposal letter. Kapsch shall work with Agencies to amend or adopt the established 91 Express Lanes Incident Management Plan and Traffic Operations Center SOPs. Express Lanes Performance Monitoring Plan.

. TSP shall prepare and submit an Express Lanes Performance Monitoring Plan for review and approval by Agencies. The Express Lanes Performance Monitoring Plan shall be submitted during the Final Design Review. The Plan shall identify TSP's procedures for monitoring speeds, traffic flow, and operational performance of the Express Lanes, and shall describe, at a minimum, how TSP will manage Dynamic Pricing and Time of Day Pricing, ensure performance of the Express Lanes, and respond to unanticipated events. The plan shall incorporate the operational requirement that TSP conduct and document all pricing performance checks per the SOP periods, and shall detail how these monitoring activities will be used to maintain required service levels and support timely operational adjustments.

The Express Lanes Performance Monitoring Plan shall enumerate the various types of reporting that will be provided on a monthly, quarterly and annual basis that includes trends on: traffic volumes, speeds, travel times, HOV 3+ reporting, Violations, incidents, dynamic pricing, and overall revenue collection compared to forecasted T&R.

2.16 KPI Reporting and Management Plan

TSP shall prepare and submit a KPI Reporting and Management Plan for review and approval by RCTC that describes how TSP will monitor, calculate, audit, report and handle KPIs. The KPI Reporting and Management Plan will detail how the daily, weekly, and monthly indicators will be measured and reported. The KPI Reporting and Management Plan shall include, at a minimum, strategies for mitigation where KPIs are not being met and remediation measures for meeting KPIs. The report shall include monitoring and reporting of the KPIs during the Ramp Up period.

KPIs are defined in Section 19.4.

3 SUMMARY OF DELIVERABLES (this section is being left as is for future RCTC expansion work. Submittals related to the back-office operations shall be updated to reflect the consolidated operation and require approval of Agencies. See Section 3.2 for Amendment 4 Documentation.)

3.1 List of Deliverables

Table 3-1 reflects a list of Deliverables identified in these TPs. It is not intended to be an all-inclusive or exhaustive list of deliverables. It shall be TSP's responsibility to determine and submit all Deliverables as required by the Contract, these TPs, Governmental Approvals and Governmental Entities. All plans shall be reviewed periodically and updated as described in these TPs, as necessary to reflect new or modified tasks, procedures, processes, etc. throughout the term of the Contract or as directed by Agencies. See Contract Section 30 for Deliverable review procedures.

All documents shall be submitted in the native editable file format and as a pdf. Documents may be combined with pre-approval from Agencies. Once accepted by RCTC, all deliverables shall be owned by RCTC.

Table 3-1: List of Deliverables

Deliverable	NTP	TP Section	Timeframe for Submittal
Preliminary Baseline Schedule	NTP1	2.6.4.1	With Proposal
Project Management Plan	NTP1	2.1.1	Prior to issuance of NTP2
Quality Management Plan (D&D and O&M)	NTP1	2.4.1	Prior to issuance of NTP2
Document Control System	NTP1	2.5.1	Prior to issuance of NTP2
Document Control Work Plan	NTP1	2.5.3.2	Prior to issuance of NTP2
Baseline Schedule	NTP1	2.6.4.2	Prior to issuance of NTP2
Monthly Progress Schedule	NTP1	2.6.4.3	Concurrent with draft invoice submittal
Four-Week Look Ahead Schedule	NTP1	2.6.4.4	Weekly, following approval of Baseline Schedule
Health and Safety Plan	NTP1	2.7.1	Prior to issuance of NTP2
DBE Program Performance Plan	NTP1	2.13	Prior to issuance of NTP2
TCS Infrastructure Design Document (IDD)	NTP1	4.2	60 days after NTP1
Business Rules	NTP2	2.3	Critical Design Review (CDR)
Final File Structure and Index of Electronic Archived Documents	NTP2	2.5.3.3	Prior to TCS Acceptance
Office Safety Plan	NTP2	2.7.3.1	90 days prior to CSC Commencement Deadline
Roadside Safety Plan	NTP2	2.7.3.2	90 days prior to Revenue Service Commencement Deadline
Data Security Plan	NTP2	2.8	Critical Design Review (CDR)

Software Development Plan	NTP2	2.9	Preliminary Design Review (PDR)
Operations Plan	NTP2	2.10	90 days prior to CSC Commencement Deadline
Standard Operating Procedures (ELs and CSC)	NTP2	2.10.1	90 days prior to CSC Commencement Deadline
Configuration Management Plan	NTP2	2.11	Preliminary Design Review (PDR)
Civil Site Acceptance Checklist	NTP2	2.12.4	With Installation Plan
Communications Network Acceptance Checklist	NTP2	2.12.5	With Installation Plan
Incident Management Plan	NTP2	2.14	120 days prior to Revenue Service Commencement Deadline
Express Lanes Performance Monitoring Plan	NTP2	2.15	Final Design Review
KPI Reporting and Management Plan	NTP2	2.16	90 days prior to CSC Commencement Deadline
Requirements Trace Matrix	NTP2	4.1	Preliminary Design Review (PDR)
Preliminary Design Document (PDD)	NTP2	4.3	90 days after NTP2
Critical Design Document (CDD)	NTP2	4.4	60 days after Preliminary Design Document
Final Design Document (FDD)	NTP2	4.5	60 days after Critical Design Document
Installation Plan	NTP2	4.6.1	Final Design Review (FDR)
Installation Drawings	NTP2	4.6.2	Preliminary Design Review (PDR)
Transportation Management Plan	NTP2	4.7.1	Preliminary Design Review (PDR)
Master Test Plan	NTP2	5.2	Critical Design Review (CDR)
Individual Test Plans	NTP2	5.3	40 days prior to individual tests
Individual Test Reports (including FAT, OFIT, Site Commissioning, TCS Acceptance)	NTP2	5.3	10 days after each test
Annual Renewal Testing Report	NTP2	5.7	Annually after Revenue Service Commencement Date
Interface Control Documents	NTP2	6.1	Critical Design Review
CSC Commencement Checklist	NTP2	8.2.1.1	90 days prior to CSC Commencement Deadline
Monthly Staffing Update	NTP2	8.2.3	Monthly, beginning 90 days prior to start of O&M Term
Customer Communication Document	NTP2	8.6.3	90 days prior to CSC Commencement Deadline
Financial Control Plan	NTP2	8.8.3.1	Final Design Review
DataMart Data Dictionary and Instructions	NTP2	14.2	60 days prior to CSC Commencement Deadline
Financial, Auditing and Traffic Reports	NTP2	14.5	Upon request
Training Plan	NTP2	15.1.1	90 days prior to CSC Commencement Deadline
User Manuals	NTP2	15.3	90 days prior to CSC Commencement Deadline
As-Built Technical Drawings	NTP2	15.4	Prior to TCS Acceptance
List of Materials	NTP2	15.5	Critical Design Review (CDR)
Maintenance Plan	NTP2	16.1	120 days prior to Revenue Service Commencement Deadline

List of Toll Services assets	NTP2	16.2	30 days after Revenue Service Commencement Date
Business Continuity Plan	NTP2	17.1	6 months prior to start of O&M Term
End of Contract Transition Plan	NTP2	18.1	90 days prior to start of O&M Term

3.2 DELIVERABLES – AMENDMENT 4

The deliverables related to the back-office and traffic operations center operations shall now apply to both Agencies. Agencies will jointly approve any changes to deliverables. The existing documents will serve as the starting point for the consolidated 15 EL and 91 EL work. The work to be performed under Amendment 4 requires the TSP to update all documents to reflect changes due to the consolidation and it is understood that references in existing documents to RCTC means both Agencies. As documents are revised references to RCTC should be updated to include OCTA. Table 3-2 is a list of deliverables that require updating due to the work being performed under Amendment 4.

Table 3-2: List of Deliverables

Deliverables will be updated as needed for the 91 Express Lanes transition work. Projected deliverables needing update are as follows:

Deliverable	Status	Frequency	Source
Annual Renewal Testing Report	Existing	Annual/As needed	Original Contract
As-Built Technical Drawings (RCTC only)	Existing	Annual/As needed	Original Contract
Baseline Schedule	Existing	Annual/As needed	Original Contract
Business Continuity Plan with Disaster Recovery Plan	Existing	Update prior to 91 EL Transition	Sec. 17 (specifically called out for OCTA/ RCTC)
Business Rules	Existing	Annual/As needed	Original Contract
Civil Site Acceptance Checklist	Existing	Annual/As needed	Original Contract
Communications Network Acceptance Checklist	Existing	Annual/As needed	Original Contract
Configuration Management Plan	Existing	Annual/As needed	Original Contract
Critical Design Document (CDD)	Existing	Annual/As needed	Original Contract
CSC Commencement Checklist	Existing	Annual/As needed	Original Contract
Customer Communication Document	Existing	Annual/As needed	Original Contract
Data Security Plan	Existing	Annual/As needed	Original Contract
DataMart Data Dictionary and Instructions	Existing	Annual/As needed	Original Contract
DBE Program Performance Plan	Existing	Annual/As needed	Original Contract
Document Control System	Existing	Annual/As needed	Original Contract
Document Control Work Plan	Existing	Annual/As needed	Original Contract
End of Contract Transition Plan	Existing	Update prior to 91 EL Transition	Sec. 18 (specifically called out for OCTA/ RCTC)
Express Lanes Performance Monitoring Plan	Existing	Update prior to 91 EL Transition	Sec. 2.15 (specifically called out for OCTA/ RCTC)
Final Design Document (FDD) (RCTC only)	Existing	Annual/As needed	Original Contract
Final File Structure and Index of Electronic Archived Documents	Existing	Annual/As needed	Original Contract
Financial Control Plan	Existing	Annual/As needed	Original Contract
Financial, Auditing and Traffic Reports	Existing	Annual/As needed	Original Contract

Deliverable	Status	Frequency	Source
Four-Week Look Ahead Schedule	Existing	Annual/As needed	Original Contract
Health and Safety Plan	Existing	Annual/As needed	Original Contract
Incident Management Plan	Existing	Annual/As needed	Original Contract
Individual Test Plans	Existing	Annual/As needed	Original Contract
Individual Test Reports (including FAT, OFIT, Site Commissioning, TCS Acceptance)	Existing	Annual/As needed	Original Contract
Installation Drawings	Existing	Annual/As needed	Original Contract
Installation Plan	Existing	Annual/As needed	Original Contract
Interface Control Documents	Existing	Annual/As needed	Original Contract
KPI Reporting and Management Plan	Existing	Annual/As needed	Original Contract
List of Materials (RCTC only)	Existing	Annual/As needed	Original Contract
List of Toll Services assets	Existing	Annual/As needed	Original Contract
Maintenance Plan (applies to RCTC only)	Existing	Annual/As needed	Original Contract
Master Test Plan	Existing	Annual/As needed	Original Contract
Monthly Progress Schedule	Existing	Annual/As needed	Original Contract
Monthly Staffing Update	Existing	Annual/As needed	Original Contract
Office Safety Plan	Existing	Annual/As needed	Original Contract
Operations Plan	Existing	Update prior to 91 EL Transition	Sec. 2.10 (specifically called out for OCTA/ RCTC)
Preliminary Baseline Schedule	Existing	Annual/As needed	Original Contract
Preliminary Design Document (PDD)	Existing	Annual/As needed	Original Contract
Project Management Plan	Existing	Annual/As needed	Original Contract
Quality Management Plan (D&D and O&M)	Existing	Annual/As needed	Original Contract
Requirements Trace Matrix	Existing	Annual/As needed	Original Contract
Roadside Safety Plan	Existing	Annual/As needed	Original Contract
Software Development Plan	Existing	Annual/As needed	Original Contract
Standard Operating Procedures (ELs and CSC)	Existing	Annual/As needed	Original Contract
TCS Infrastructure Design Document (IDD)	Existing	Annual/As needed	Original Contract
Training Plan	Existing	Update prior to 91 EL Transition	Sec. 15.1.1, Sec. 8.2.4.1 (specifically called out for OCTA/ RCTC)
Transportation Management Plan	Existing	Annual/As needed	Original Contract
User Manuals	Existing	Update prior to 91 EL Transition	Sec. 15.3 (specifically called out for OCTA/ RCTC)
Recovery Plan	New	Update prior to 91 EL Transition	Sec. 2.6.4.5
Data Migration and Transition Plan	New	Update prior to 91 EL Transition	Sec. 8.7.8, Sec. 1.1.7
Staffing Plan (part of the PMP)	Existing	Update prior to 91 EL Transition	Sec. 2.1.1 (specifically called out under the PMP)

Deliverable	Status	Frequency	Source
Traffic Operations Center Standard Operating Procedures	Existing	Update prior to 91 EL Transition	Sec. 2.15 (specifically called out)
Document including all final OCTA/RCTC approved customer communications	Existing	Update prior to 91 EL Transition	Sec. 8.5.3 (specifically called out for OCTA/ RCTC)
Training Materials and User Manuals	Existing	Update prior to 91 EL Transition	Sec. 15.1.2 (specifically called out for OCTA/ RCTC)

4 DESIGN AND INSTALLATION (This section is being left as is for future RCTC expansion work. Design and Implementation Work related to the Amendment 4 work are being provided through the proposal documentation.)

4.1 Design General

TSP shall prepare a TCS Infrastructure Design Document (IDD), Preliminary Design (PDD), a Critical Design Document (CDD) and a Final Design Document (FDD). TSP shall hold an Infrastructure Design Review (IDR), Preliminary Design Review (PDR), a Critical Design Review (CDR) and a Final Design Review (FDR). TSP should break the designs into major systems, including ETC, CSC and TMS for each design review. Design reviews shall be held in an RCTC designated location, assuming a minimum of two (2) days of meetings with up to 15 RCTC staff or designee. Each design meeting shall have the appropriate TSP staff in attendance, as reasonably requested by RCTC. At each design review, TSP shall make a PowerPoint presentation to present the key elements of the design review.

Each design shall include a Requirements Trace Matrix, starting with the PDR. The requirements shall be based on these TPs. Any revisions to requirements shall be approved by RCTC. Each requirement shall have a reference to the section in these TPs from which it was derived and the expected tests to verify each requirement.

Each design document shall clearly exhibit the manner in which the design meets the requirements of these TPs.

Each design shall build upon the previous, i.e. the PDR shall include all content from the IDR, the CDR shall include all content from the PDR and the FDR shall include all content from the CDR.

Each design review document including the agenda, the PowerPoint presentation, and the detailed data package containing the required submittals covering information to be addressed in the meeting shall be submitted to RCTC 30 days prior to the scheduled design review meeting. TSP shall submit a design review meeting agenda and a comment matrix form addressing all comments from the design review along with the final version of the design review and final design document. RCTC approval of the final version of each design document shall be a condition precedent to the next design review.

The TSP shall schedule additional workshops and/or meetings to determine details of elements which require further RCTC input.

Applicable standards for reference during the design process are provided in Section 19.6.

4.2 TCS Infrastructure Design Document/Review (IDD/IDR)

TSP shall conduct a TCS IDR to inform the DB Contractor early of all infrastructure needs during NTP1. The IDR shall use the TCS Infrastructure Baseline Requirements in Section 19.7 as a base for infrastructure requirements. The IDR shall focus on the ETC and TMS. As part of the IDR, TSP shall prepare and submit an Infrastructure Design Document for review and approval by RCTC. The IDR shall confirm any and all DB Civil Toll Infrastructure Design Requirements provided to the DB Contractor in the TCS Infrastructure Design Document for purposes of DB Contractor's design of tolling infrastructure. TSP shall include, at a minimum, the following in the TCS Infrastructure Design Document:

1) TSP requirements in regards to the toll gantry structures including weights, clearance, brackets, vibration specifications, routing, etc. for DB Contractor to design;
2) Details for location and sizes for all roadside equipment cabinets;
3) Specifications for the equipment cabinet pads to be designed, provided and installed by DB Contractor;
4) Requirements for power and communication for all roadside systems to be designed, provided, and installed by the DB Contractor;
5) Specific requirements for toll equipment lightning protection and grounding to be provided by the DB Contractor;
6) Requirements and locations for lighting in vicinity of each Toll Zone to be provided by the DB Contractor;
7) Requirements for a backup power system and related infrastructure needs for roadside;
8) Preliminary ROC facility requirements as described in Section 10.3.1;
9) Requirements for a backup power system and related infrastructure needs for ROC;
10) Requirements for special pavement at toll gantry areas, if any, to be provided by the DB Contractor;
11) Power/communication and location requirements for variable toll rate message signs and associated equipment cabinets;
12) Power/communication and location requirements for the ODS system;
13) Power/communication and location requirements for the CCTV system;
14) Power/communication and location requirements for traffic detection sensors; and
15) Requirements of the of Network Communication System.

Infrastructure requirements included in the approved IDR are considered final and can only be changed upon approval by RCTC in its sole discretion.

4.3 Preliminary Design Document/Review (PDD/PDR)

TSP shall conduct a PDR. As part of the PDR, TSP shall prepare and submit a Preliminary Design Document for review and approval by RCTC within 90 days after issuance of NTP2. The design documentation shall describe all the functions, applications, systems, and methods proposed for the Toll Services. The Preliminary Design Document shall include Hardware concept drawings and preliminary level engineering specifications. The PDR shall also include a comprehensive Requirements Trace Matrix. TSP shall include, at a minimum, the following in the Preliminary Design Document:

1) Requirements Trace Matrix;
2) Overall EL design schematic;
3) Overall TCS architecture;
4) Details on design of back office/Host systems, including backup and storage systems;
5) Design overview of MOMS;
6) Design description of TOC;
7) Summary of ROC requirements and functional approach;
8) Overview of all CSC applications;
9) Overview of data security;
10) Overview of physical site security;
11) Overview of Training Plan;
12) Overview of Maintenance Plan;
13) Details of Customer Website;
14) Details of IVR system;
15) Details of Transponder inventory system;
16) Business Rules;
17) Overview of Dynamic Pricing;
18) Overview of Trip Building; and
19) Overview of Operations Plan.

RCTC intends to have an Occupancy Detection System (ODS) for I-15 Revenue Service Commencement. To facilitate this goal the TSP shall work with RCTC during PDR to scope and design the ODS. The TSP shall evaluate the current solutions available to meet the requirements in Section 7.2.7 and Section 8.5. The TSP is scoped for the industry review and PDR only in regards to the ODS.

4.4 Critical Design Document/Review (CDD/CDR)

TSP shall conduct a CDR. As part of the CDR, TSP shall prepare and submit a Critical Design Document for review and approval by RCTC 60 days after approval of the Preliminary Design Document. The Critical Design Document shall describe the design of all Hardware, Software and interfaces needed to meet the requirements of the TCS and shall address all comments from the PDR. For all integration activities a draft ICD shall be delivered as part of the Critical Design Document. The ICDs shall be specific to the systems being integrated and shall describe the physical, functional and performance characteristics. The CDR shall include an updated Requirements Trace Matrix. TSP shall provide the following, at a minimum, in the Critical Design Document:

1) Updated Requirements Trace Matrix
2) Specification sheets for all Equipment;
3) Lane layouts and logic, and timing details;
4) List of materials;
5) Spare Parts list and justification;
6) Interface Control Documents;
7) Detailed TCS architecture and description;
8) Detailed network architecture and description;
9) Detailed field communication architecture and description;
10) List of reports and formats;
11) Security functions and features;
12) Details of Account management;
13) Details of Account maintenance;
14) Details of financial management;
15) Details of reciprocity;
16) Details of transaction processing;
17) Details of TCS interfaces;
18) Details of Violation processing;
19) Details of reconciliation;
20) Details of tracking and reporting;
21) Details of customer correspondence;

22) Details of TCS parameters and job scheduling;

23) Details of reports; and

24) Details of the Data Mart.

4.5 Final Design Document/Review (FDD/FDR)

TSP shall conduct a FDR. As part of the FDR, TSP shall prepare and submit a Final Design Document for review and approval by RCTC 60 days after approval of the Critical Design Document. The FDR shall incorporate the comments and outcomes from the CDR and include an updated Requirements Trace Matrix.

The Final Design Document shall include, at a minimum, the following:

1) Updated Requirements Trace Matrix

2) Detailed description of the overall TCS;

3) Functional specifications for systems and subsystems for the TCS;

4) Hardware and Software detailed design;

5) Discussion of any design variants;

6) Block diagrams for the TCS and all subsystems;

7) Descriptions of TCS and all subsystems**;**

8) All configuration settings for all TCS systems;

9) Listing of all reports and data processing;

10) User interfaces;

11) User task flow;

12) Detailed Network Communication System design, including all addresses;

13) Software Development Plan;

14) Functional and technical ROC design;

15) Detailed review of Account management;

16) Detailed review of Account maintenance;

17) Detailed review of financial management;

18) Detailed review of reciprocity;

19) Detailed review of transaction processing;

20) Detailed review of TCS interfaces;

21) Detailed review of Violation processing;

22) Detailed review of reconciliation;

23) Detailed review of tracking and reporting; and

24) Detailed review of general ledger mapping.

4.6 Installation

To successfully implement the installation of the I-15 EL the TSP shall cooperate and coordinate with RCTC, Department, and RCTC's DB Contractor, CHP, and with RCTC staff and/or consultants overseeing construction, installation and testing.

4.6.1 Installation Plan

The TSP shall prepare and submit an Installation Plan to RCTC for review and approval that demonstrates delivery of a system in accordance with the FDD. The Installation Plan shall be submitted with the Final Design Document described in Section 4.5.

Equipment ordering and installation may proceed in parallel with design, but shall be subject to change until the TSP's solution passes Factory Acceptance Testing.

The Installation Plan shall address system implementation based on Package Turnover in Section 4.6.4.

The Installation Plan shall include, at a minimum, the following:

1) Coordination activities with the DB Contractor;

2) OFIT Zone requirements;

3) Prerequisites for installation such as civil, power, and communications requirements;

4) Documentation delivery including drawings and plans;

5) Installation schedule;

6) Duties and responsibilities of all parties;

7) Separation of test data from production data;

8) System interfaces;

9) Coordination of testing activities;

10) Safety planning;

11) AVI installation procedures including power and read zone measurements and initial tuning;

12) Installation sequencing and procedures, including Civil Site Acceptance Checklist;

13) Lane closure preparation and traffic control;

14) Revenue Service Commencement; and

15) Handling of hazardous materials.

The TSP is responsible for determining its staging requirements and for providing them, including any and all facilities, utilities, security, and improvements required. The Installation Plan shall be developed with the understanding that the TSP may need to schedule some of the Work without having exclusive or uninterrupted access to the Work Site.

The Installation Plan shall include plans for coordinating with RCTC, the DB Contractor, Department, and other entities necessary for successful installation. The Installation Plan shall include the need for planned outages of communication networks or other existing assets.

4.6.2 Installation Drawings

The TSP shall prepare installation drawings for inclusion in the DB Contractor's submittal to the Department. The installation drawings shall be submitted to RCTC for review and approval during the PDR. The TSP shall coordinate with the DB Contractor on submittals to the Department.

The TSP shall prepare drawings per the Department drafting standards. The TSP shall prepare and submit the following installation drawings packages for inclusion with the DB Contractor submittal to the Department:

1) Intermediate Installations Drawings;

2) Final Installations Drawings;

3) Release for construction Installations Drawings; and

4) As-Built Technical Installation Drawings (see Section 15.4).

The TSP shall respond to all Department comments. The TSP shall obtain the necessary riders encroachment permits from the Department and other regulatory agencies as required by local, state and federal laws. The Department will not issue the riders to the encroachment permits until it has reviewed and approved the TSP's plans.

The TSP shall prepare and document the mechanical assembly and installation details utilizing drawings, illustrations and other aids to describe the design environment and interconnection diagrams showing the general physical arrangement of devices and all external connections between devices.

The TSP shall prepare and submit all installation and shop drawings to RCTC and the Department, in accordance with the Department's submittal requirements.

4.6.3 Installation Work

TSP shall perform installation activities pursuant to the approved Installation Drawings and Installation Plans. TSP shall have submitted the final ETC FAT test report prior to the start if installation. TSP shall receive RCTC written approval of an installation before moving on to the next installation. If the TSP has received approval for parallel installation efforts, then the TSP shall obtain RCTC written approval of an installation before moving on to the next installation on each parallel installation track.

The TSP shall utilize the services of a fully qualified engineer for the purpose of performing all engineering civil, structural, electrical, mechanical, and architectural design and the preparation of related plans and documentation. All engineering civil, structural, electrical, mechanical, and architectural design work shall be performed under the direct supervision of an engineer of the appropriate discipline licensed in the state of California or an architect licensed in the state of California.

All work shall be performed within the Existing Department ROW as shown in Section 19.2.

All installation and testing of communications equipment and wiring shall be done in a neat and professional manner by qualified network technicians.

Electrical work shall be performed by California licensed electricians. All electrical work shall be performed in accordance with the applicable Governmental Rules. Appropriate National Electric Code requirements shall be adhered to with all electrical articles for installation pertaining to wiring, enclosures, and other electrical equipment in hazardous locations.

The TSP shall ensure that each sub-contractor performing construction or installation work under the TSP holds all necessary California contractors' or other licenses and provides proof of such licensing at RCTC's request.

RCTC, the Department and/or their designee shall have access to inspect all aspects of the installation at any time. TSP shall identify inspection points in the Installation Plan and the installation schedule shall allow time for inspections to be performed.

The TSP shall conduct routine inspections of all installations and certify in writing that the TSP has completed installation per the approved documentation and drawings.

All equipment shall be installed, configured and tested in strict accordance with the original manufacturer's instructions and as submitted in TSP's Installation Plan and test plans. The manufacturers printed or verbal recommended installation procedures and instructions for all materials furnished by the TSP under this Agreement shall be followed explicitly, unless otherwise directed by RCTC.

All wiring and cabling shall be neatly labeled, bundled, tie-wrapped, and secured. Wire labels shall be permanent-type labels.

The TSP shall label everything installed as a part of the TCS including Equipment, cables, and conduit and obtain RCTC's approval of such labeling. The labeling shall enable efficient maintenance and inventory.

The TSP shall provide proof to RCTC upon request that the installed Equipment is ready for testing. Such proof shall include:

1) Reports from fiber-optic cable, Ethernet switch and/or wireless bridge testing to industry standard;

2) Reports on power connectivity, uninterruptable power supply, and equipment power-up; and

3) Reports on functional testing of all individual subsystems such as AVI, VES, or VTMS.

The TSP shall notify RCTC in writing as quickly as possible with regard to any potential Deviation from the approved design and installation documentation, drawings, and plans. Such notification shall take place prior to further action except where delays may cause safety risks. Revisions to the plans for any roadside installations shall be developed by a fully qualified engineer and reviewed and approved by RCTC and any other necessary agencies such as Department.

The TSP shall maintain records and documentation essential to providing objective evidence of quality, which shall be made available to RCTC upon request. Examples of quality-related data include:

1) Installation documentation;
2) Inspection and test results;
3) Records of quality assurance/quality control programs;
4) Cost records pertinent to acceptance of nonconforming material;
5) Change Order backup documentation;
6) Design reviews and walkthroughs;
7) Results of internal TSP audits; and
8) Minutes of civil coordination meetings/discussions.

Records shall be maintained in a manner that allows for easy access and analysis.

The TSP shall develop and maintain an implementation issue and risk control register, as well as a procedure for identifying, classifying, and assigning risks.

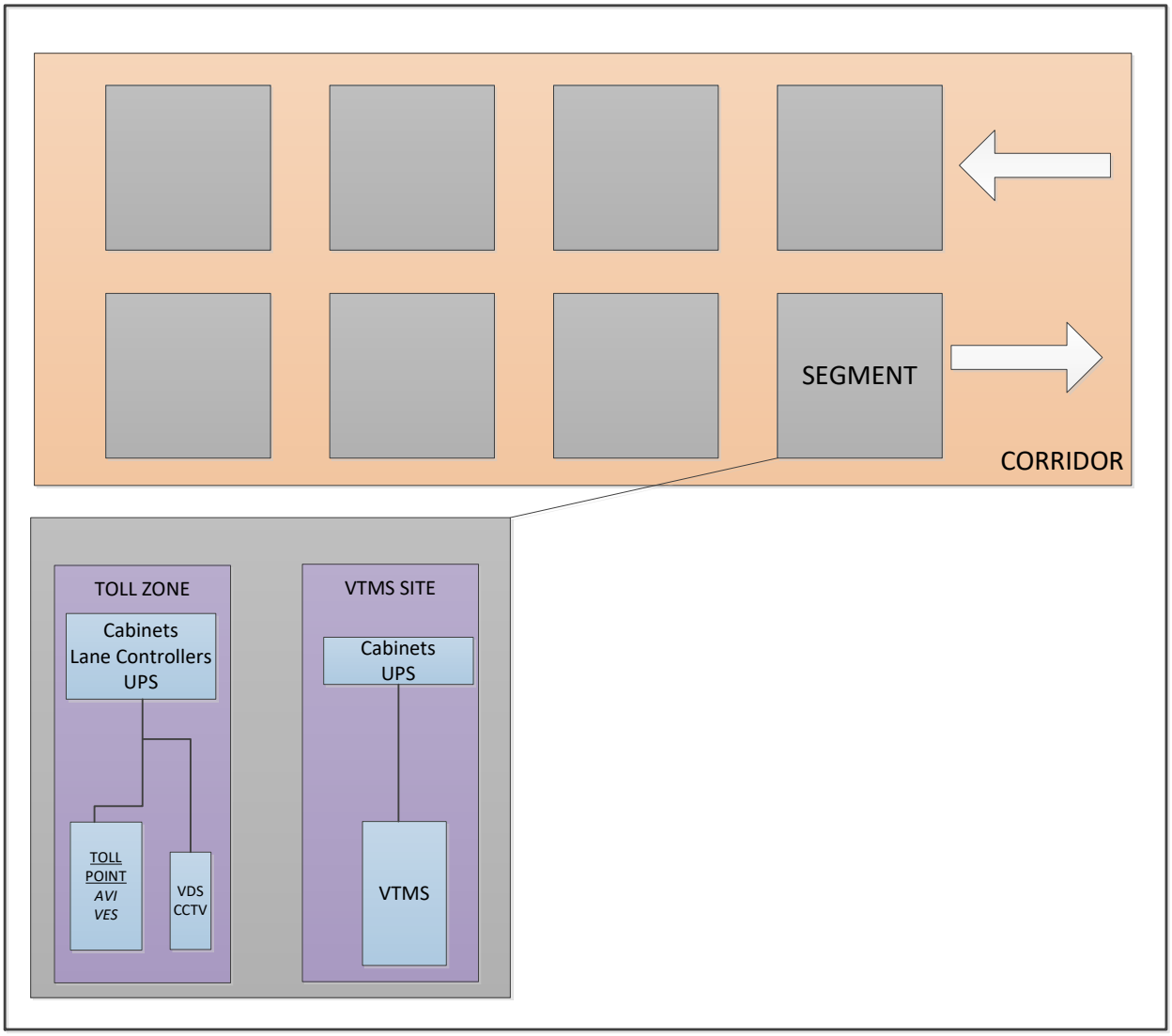
TSP shall maintain a punch list during implementation for review with the RCTC project manager on a weekly basis.

The TSP shall submit As-Built Technical Drawings showing the final configuration of all equipment, cables and conduit to RCTC 30 days after installation (see Section 15.4).

4.6.4 Package Turnover

The ELs are made up of eight Segments consisting of a Toll Zone and other relevant equipment. This concept is illustrated in Figure 4-1.

Figure 4-1: Express Lane Segment and Toll Zones



As part of the DB Work, the DB Contractor will design and construct certain civil infrastructure required for the TCS per Section 19.3. To facilitate this coordination, the DB Contractor will complete sections of the I-15 ELs for handover to the TSP. The process for handover is called Package Turnover and is set out in Contract Sections 8.7.-8.8.

4.7 Maintenance of Traffic during D&D Work

TSP shall provide maintenance of traffic (MOT) during installation and deployment of the TCS system in accordance with the Package Turnover in Contract Sections 8.7-8.8. TSP shall also coordinate with the DB Contractor for maintenance of traffic during construction of the project.

After Package Turnover for a Turnover Area, while the TSP is performing maintenance of traffic on any Turnover Area, the TSP shall have primary access to the Turnover Area (including priority access for Lane Closures in the applicable Turnover Area) and the DB Contractor's access rights and ability to request Lane Closures shall be subordinate to those of the TSP in the applicable

Turnover Area. However, the TSP will be required to act reasonably and provide reasonable access to, and coordinate with, the DB Contractor and allow the DB Contractor to perform maintenance, stripe, and complete Punch List work.

4.7.1 Transportation Management Plan (TMP)

TSP shall develop, implement, and maintain a TMP that lays out the strategies for managing the work zone impacts of the Project and submit to RCTC for review and approval during the Preliminary Design Review. The TMP must follow the guidelines in the latest version of the Department's Transportation Management Plan Guidelines (dated November 2015), which are included in the Reference Documents. The TMP must address the topics and, at a minimum, include the information listed below:

1) TMP Strategies

    a. Public information (provide approach for coordination of the TMP with RCTC for public outreach)

    b. Motorist information

    c. Incident Management (provide approach for implementation of Incident Management)

    d. Construction Zone Enhanced Enforcement Program (provide approach for implementation of the COZEEP as set forth in Section 4.7.6)

    e. Construction strategies

    f. Contingency plans

2) Stakeholder Coordination. Methods to address coordination of the Work including:

    a. Construction by Local Agencies and Utility Owner;

    b. DB Contractor work

    c. CHP and local police for additional services, as needed; and

    d. SR-91 Express Lane operator.

The TMP is considered a living document; TSP shall amend and submit changes to the TMP for approval by RCTC and the Department as changes occur in the MOT strategies proposed by TSP.

TMP compliance and implementation is the responsibility of TSP. RCTC and the Department will monitor and evaluate TMP activities during the course of construction. RCTC may suspend all or part of TSP's operations for failure to implement and comply with TMP elements, or failure to correct unsafe traffic conditions within 24 hours after such notification is given in writing to TSP. If TSP does not promptly take appropriate action to bring the Errors into compliance or to correct unsafe traffic conditions, RCTC may proceed with corrective action against TSP.

4.7.2 Freeway Lane Closures (RCTC Only)

4.7.2.1 Permitted Lane Closures of General Purpose Lanes

TSP shall develop as part of the TMP all design for MOT, including all planned Lane Closures of General Purpose Lanes that impact the SR-91 or I-15 General Purpose Lanes, ramps and connectors, through Revenue Service Commencement. Lanes Closure windows for the SR-91 and I-15 General Purpose Lanes, unless otherwise approved by RCTC or the Department, as applicable, in their sole discretion, are reflected in Section 19.5.

Any Lane Closures of General Purpose Lanes that are required for construction or delivery of materials but which are not included in the TMP must be approved in advance by RCTC and the Department. Department may require TSP to prepare additional Lane Requirement Charts (i.e., Lane Requirement Charts not included in the TMP) as a condition of approval. In such cases TSP shall provide Lane Requirement Charts as requested by the Department.

TSP shall submit to RCTC and the Department written Notice at least seven (7) days prior to any Lane Closure of a General Purpose Lane, detours, or other construction activities. TSP shall notify RCTC immediately as soon as TSP knows that a scheduled Lane Closure of a General Purpose Lane, detour, or other construction activity will be cancelled or delayed beyond the time set forth in the approved Lane Closure Charts.

TSP shall notify RCTC immediately, as soon as TSP knows that a Permitted Lane Closure of a General Purpose Lane will be late in reopening. In the event that a Permitted Lane Closure does not reopen on time, RCTC and the Department shall not authorize any further Lane Closures until TSP submits to RCTC a corrective action plan to avoid recurrences.

RCTC shall have the right to suspend the Work, in accordance with Contract Section 21, and cancel any previously approved Lane Closure requests for any failure to reopen to public traffic a Permitted Lane Closure of a General Purpose Lane within the windows specified in the Lane Closure Charts.

Upon its discovery of any Unpermitted Lane Closure of a General Purpose Lane, RCTC will deliver to TSP a Notice of Unpermitted Lane Closure, and shall assess against TSP the applicable Lane Closure Charges (i.e., liquidated damages), calculated in accordance with Contract Section 11.1. TSP shall pay RCTC such Lane Closure Charges within 24 hours after all applicable General Purpose Lanes reopen to public traffic.

Delays of 30 minutes or more per vehicle for General Purpose Lanes above the normal recurring traffic delay on SR 91 or Interstate 15 are prohibited, unless otherwise approved in advance by RCTC and the Department. See the Department Deputy Directive DD-60-R2 in Reference Documents.

Lane Closures of General Purpose Lanes shall not be allowed: (a) between the Monday before Thanksgiving until the day after New Year's Day; (b) on Easter weekend; (c) on Memorial Day weekend; (d) on Fourth of July weekend; (e) on Labor Day weekend; or (d) on any other holidays. TSP shall coordinate with RCTC the Department and Local Agencies to identify any special events and restrict on-ramp or off-ramp closures and freeway lane or full closures accordingly. Closure restrictions for designated holidays and special days are included in Section 19.5.

TSP shall submit traffic control plan for any Lane Closure for review and approval by RCTC and the Department.

TSP shall prepare construction contingency plans and provide required materials and equipment on the Site for late lane closure opening and other high-risk operations that would affect traffic in accordance with Section 4.7.

TSP shall comply with no less than 90% of Lane Closures of General Purpose Lanes requested, through Revenue Service Commencement. TSP shall be deemed to have complied with a requested Lane Closure only if TSP: (a) proceeds with the planned Work within the Lane Closure, or (b) cancels the Lane Closure no later than 72 hours (excluding holidays and weekends) prior the requested Lane Closure. For the purpose of clarity, any Lane Closure that occurs without the corresponding construction Work shall be deemed non-compliant.

RCTC will calculate TSP's compliance rate (i.e., number of compliant Lane Closures out of the total requested Lane Closures) on a monthly basis. For months that TSP does not achieve the 90% compliance requirement, TSP shall pay RCTC Liquidated Damages in accordance with Contract Section 11.1.

4.7.2.2 Unpermitted Lane Closures of General Purpose Lanes

Unpermitted Lane Closures of General Purpose Lane are prohibited and shall be subject to Lane Closure Charges (i.e., liquidated damages) in accordance with Contract Section 11.1.

TSP, however, may request Lane Closures of General Purpose Lanes outside the Department approved Lane Requirement Charts. TSP shall submit such requests in writing to Department and RCTC no later than 14 days prior to TSP's requested date for the Lane Closure, together with a revised TMP. Such requests and revised TMPs shall be subject to review and approval by RCTC and the Department.

Written requests for Lane Closures of General Purpose Lanes outside the times set forth in the Lane Requirement Charts shall, at a minimum include the following:

1) Justification for the Lane Closure;
2) Propose time periods and hours;
3) Proposed location(s);
4) Proposed Calendar duration; and
5) Payment of Lane Closure Charges, in accordance with Contract Section 11.1.

RCTC and the Department have the right to suspend the Work in accordance with Contract Section 21, and cancel any previously approved Lane Closure request for any Lane Closure that does not reopen to traffic by the times set forth in TSP's request.

4.7.3 Permitted Lane Closures of SR 91 Express Lanes

TSP shall develop as part of the TMP all design for MOT, including all Permitted Lane Closures that impact the SR-91 and the SR 91 to I-15 Express Lanes Flyover Connector from start of installation through Revenue Service Commencement. Lane Closure windows for the Express

Lanes, unless otherwise approved by RCTC or OCTA, as applicable, in their sole discretion, are reflected in Table 4-1. TSP shall pay to RCTC Lane Closure Charges for Permitted Lane Closures of Express Lanes.

Table 4-1 Permitted Lane Closures of SR 91 Express Lanes

Direction/Period	*Hours During Which Closures Permitted*
Eastbound weekday (Sunday from 11:00 p.m. to Friday at 5:00 a.m.)	11:00 p.m. to 5:00 a.m.
Eastbound weekend (Friday 11:00 p.m. to Sunday at 5:00 a.m.)	11:00 p.m. to 5:00 a.m.
Westbound weekday (Sunday from 9:00 p.m. to Friday at 4:00 a.m.)	9:00 p.m. to 4:00 a.m.
Westbound weekend (Friday at 10:00 p.m. to Sunday at 5:00 a.m.)	10:00 p.m. to 5:00 a.m.

TSP shall submit a written Notice of Permitted Lane Closure for the applicable Express Lane(s) and pay RCTC the corresponding Lane Closure Charges, in accordance with Contract Section 11.1. TSP shall submit Notices of Permitted Lane Closures to RCTC for review and approval no later than seven (7) days prior to the Permitted Lane Closure of any Express Lane. If applicable, TSP shall submit to RCTC for review and approval written Notices to withdraw or amend previously submitted Notices of Permitted Lanes Closures no later than five (5) days prior to the scheduled Permitted Lane Closure.

TSP shall notify RCTC immediately, as soon as TSP knows that a Permitted Lane Closure of an Express Lane will be late in reopening. In the event that a Permitted Lane Closure does not reopen on time, RCTC will not authorize any further Lane Closures until TSP submits to RCTC a corrective action plan to avoid recurrences.

RCTC shall have the right to suspend the Work, in accordance with Contract Section 21, and cancel any previously approved Lane Closure requests for any failure to reopen to public traffic a Permitted Lane Closure of an Express Lane within the windows specified in Table 4-1.

Lane Closures of Express Lanes shall not be allowed: (a) between the Monday before Thanksgiving until the day after New Year's Day; (b) on Easter weekend; (c) on Memorial Day weekend; (d) on Fourth of July weekend; (e) on Labor Day weekend; or (d) on any other holidays. TSP shall coordinate with RCTC to identify any special events and restrict Lane Closures of Express Lanes accordingly. Closure restrictions for designated holidays and special days are included in Section 19.5.

Concurrent closure of the mainline SR-91 Express Lanes and SR 91 to I-15 Express Lanes Flyover Connector is prohibited.

Upon its discovery of any Unpermitted Lane Closure of an Express Lane, RCTC will deliver to TSP a Notice of Unpermitted Lane Closure, and shall assess against TSP the applicable Lane Closure Charges (i.e., stipulated damages and liquidated damages), calculated in accordance with Contact Section 11.1.

4.7.3.1 Planned SR-91 Maintenance Closures

Every third Sunday from 6 a.m. to 10 a.m., the SR-91 Express Lanes will close for planned maintenance. During these planned maintenance closures, and only if approved in writing by RCTC, TSP may perform Work in the SR-91 Express Lanes. TSP shall submit to RCTC for its review and approval written requests to perform such Work no later than 14 days prior to the applicable closure. Preference shall be given to the SR-91 Express Lanes maintenance crew, but if RCTC approves TSP's request, no Lane Closure Charges shall be assessed upon TSP during this period. TSP, however, shall be subject to Lane Closure Charges (i.e., stipulated damages and liquidated damages) for Unpermitted Lane Closures outside of the approved period.

4.7.4 Unpermitted Lane Closures of Express Lanes

Unpermitted Lane Closures of Express Lanes are prohibited and shall be subject to Lane Closure Charges (i.e., stipulated damages and liquidated damages) in accordance with Contract Section 11.1 of the Contract. TSP, however, may request Lane Closures of Express Lanes outside the times set forth in Table 4-1. Submit such requests in writing to RCTC no later than14 days prior to TSP's requested date for the Lane Closure, together with a revised TMP as required. Such requests and revised TMPs shall be subject to review and approval by RCTC, the Department, and, if applicable, OCTA.

Written requests for Lane Closures of Express Lanes outside the times set forth in Table 4-1 must include:

1) Justification for Lane Closure;
2) Proposed time periods and hours;
3) Proposed calendar duration; and
4) Payment of Lane Closure Charges, in accordance with Contract Section 11.1.

RCTC shall have the right to suspend the Work, in accordance with Contract Section 21, and cancel any previously approved Lane Closure request for any Lane Closure that does not reopen to traffic by the times set forth in TSP's request.

4.7.5 Incident Management

TSP shall immediately report incidents that occur within or directly adjacent to the Site, as appropriate. Typical examples of incidents to be reported would be injuries due to construction accidents, traffic accidents, or fires.

4.7.6 Construction Zone Enhanced Enforcement Program

A Construction Zone Enhanced Enforcement Program (COZEEP) through the CHP must be provided for the Toll Services through TCS Acceptance. TSP shall coordinate all Lane Closures and construction activities with RCTC to assess the need for COZEEP. The need for COZEEP shall be the decision of RCTC. The Department's *Construction Manual* section 2-215 includes criteria on the use of COZEEP on a project. These criteria shall be considered as minimum requirements for COZEEP. In addition to these requirements, COZEEP will be used for other Work activities, as directed by RCTC, such as running traffic breaks for critical movement for equipment.

TSP shall notify RCTC at least 48 hours in advance of COZEEP service needs for a planned Lane Closure or construction activity. RCTC will coordinate with CHP and the Department for these services under the existing agreement between Department and CHP. RCTC will create monthly log of COZEEP uses for the Toll Services. TSP must reimburse RCTC at TSP's sole cost, for CHP expenses incurred by RCTC. TSP shall reimburse RCTC within ten 10 days of RCTC's submittal to TSP of an invoice for such CHP costs and expenses.

Cost for all CHP services to be provided for the Toll Services is included in the Contract Price. CHP salary (OT) rates and mileage are typically adjusted around the start of the State fiscal year, after passage of the budget. The Department's agreement with CHP will provide for annual fluctuation in rates

The presence of the CHP does not relieve the TSP of the responsibility for providing public safety. The TSP is responsible to schedule COZEEP services with the CHP in accordance with the approved TMP.

4.7.7 MOT Coordination Meeting

TSP shall schedule bi-weekly MOT coordination meetings with RCTC, CHP, the Department, and DB Contractor to address TMP strategies, construction activities, lane closure schedules, and Toll Services disruptions to public from the start of installation through Revenue Service Commencement.

5 SYSTEM TESTING (this section is being left as is for future RCTC expansion work. Testing approach to delivery of Amendment 4 work will be performed according to the Proposal Plan. For Amendment 4 delivery and all changes to BOS post Amendment 4 delivery will require the joint approval of Agencies)

This section describes TSP's responsibilities for carrying out and reporting the results of various functional and performance tests of the TCS and its major components as they are being developed, demonstrated, deployed, and operated. This includes all phases of testing including the Software, Hardware, in-lane equipment, network connections, back office, and interfaces. The testing program shall ensure that the TCS functions according to the requirements and KPIs prescribed in the Contract, these TPs and the FDD.

5.1 General

TSP shall be responsible for all personnel, equipment and expenses associated with the testing program. Testing shall be conducted in accordance with the Master Test Plan and in conjunction with RCTC. TSP shall keep the Requirements Trace Matrix updated to reflect all testing, clearly tracing requirements to test phases and test scripts.

TSP shall submit each test plan to RCTC in advance for review and approval. TSP shall obtain RCTC approval of test plans prior to testing. TSP's Quality Manger shall review TSP readiness to commence each phase of testing.

The TMS shall be tested as part of the ETC.

RCTC reserves the right to recommend ad hoc testing of any variety of vehicle types or equipment failures not included in the relevant Individual Test Plan. Ad hoc tests may be added before or during actual testing. Ad-hoc testing will be kept to a minimum and is intended to further review items that arise in scheduled testing.

TSP shall work with RCTC to schedule tests so that RCTC staff, consultants and partners may observe all testing.

TSP shall include statistically significant and mutually agreeable test data sufficient in size and variety of types to fully test all requirements of the lane and Host systems including Account creation, Trip Building, Account management, posting of Trips to Accounts, CTOC processing, Violation processing, Customer Website, IVR, reports, degraded mode, financial integrity, audit functions, toll rate calculation and assignment. TSP shall test degraded modes and exceptions.

Acceptance of the TCS is dependent on tests demonstrating that the TCS performs in a manner meeting or surpassing all requirements and the KPIs.

Within 14 days of the completion of each individual test, TSP shall provide for RCTC review and approval a test report containing results of each test script, a summary of the test results, a list of failed items, planned regression test schedule and punch list items. . TSP shall maintain all test results, notes, and observations. Test reports shall be signed and certified by the TSP's

authorized Quality Manager - D&D Work. Test reports shall pay special attention to any test cases where a failure occurred and how it was resolved. Together with results, any re-testing, regression testing, procedure modifications, software fixes and document changes (if required) shall be detailed.

RCTC and TSP shall work together to assign a priority level for each punch list item as defined in Section 5.5 and Section 5.6. TSP shall fix and retest punch list items including regression testing for approval by RCTC. This process shall continue until all punch list items have passed testing. When the punch list items have passed testing TSP may proceed with other testing or installations.

If at any point during testing RCTC determines that a Critical Failure is detected, RCTC reserves the right to stop testing until RCTC and TSP agree upon corrective action. RCTC reserves the right to restart that particular phase of testing.

If testing or operations identifies defects in the system after the system goes live (is in use by actual customers), TSP shall go through code release procedures described and approved in the Quality Management Plan to fix the issue. TSP shall never change the production system without prior approval of RCTC.

TSP shall maintain a test environment that will ensure that RCTC's TCS Software, firmware and Hardware configurations are matched exactly during every phase of development, installation, and testing.

When TSP is conducting tests, TSP staff shall not make changes to the test environment, including configuration changes, database changes, Software code changes, and equipment changes, without specific written approval from RCTC. Should RCTC approve such a change, TSP shall document such changes in the test report.

Then TSP is in testing, daily kick off and wrap up meetings should be conducted to review the work plan for the day and review punch list items with RCTC.

5.2 Master Test Plan

TSP shall submit a Master Test Plan to RCTC for review and approval during the Critical Design Review. The Master Test Plan provides a system-wide framework for testing activities by integrating functional, system, and performance testing of TCS components, subsystems, interfaces, and the overall TCS. The Master Test Plan shall describe the priority levels of failures as defined in Section 5.6.4 and the ramifications of each type of failure.

TSP shall provide a Master Test Plan describing in detail the key features of the overall testing program for review and approval by RCTC. At a minimum, the Master Test Plan shall address testing approaches and schedule, KPIs, data collection and sampling methods, test entry criteria, test exit criteria, testing conditions, equipment requirements, testing locations, reporting of results and procedures for tracking and retesting failed test steps.

The Master Test Plan shall, at a minimum, include the following:

1) The schedule and high level plan for each phase of testing;

2) Description of strategies for isolating test data from production data, coordinating Interface Testing, using simulated data, and retesting;

3) The Requirements Traceability Matrix (RTM) indicating when and how each requirement will be tested in the Individual Test Plans;

4) The plan for test vehicles including the number and type of vehicles, Transponders required, and any special license plates needed for testing; and

5) All aspects of CSC testing, ETC testing, TMS testing, Communication Network testing, MOMS testing, and degraded mode testing.

5.3 Individual Test Plans

Individual Test Plans shall describe the scope, approach, resources, and master schedule of intended testing activities, including test items, the features to be tested, the testing procedures and set of execution conditions, predicted results, and any risks requiring contingency planning.

Individual Test Plans shall include an updated RTM indicating which requirements are tested in that individual test and shall also include all test scripts to be used.

TSP shall provide complete Individual Test Plans for review and approval by RCTC. TSP must receive written approval from RCTC prior to the beginning of any test.

TSP shall update each version of any test plan to incorporate or respond to RCTC comments on the previous version. Each Individual Test Plan shall undergo the following review phases:

1) Test plan outline – allow 10 working days for RCTC review and comment;

2) Detailed test plan – first submission – allow 15 working days for RCTC review and comment;

3) Detailed test plan – second submission – allow 15 working days for RCTC review and comment;

4) Detailed test plan – final version – TSP shall submit a final detailed test plan in accordance with the master schedule for approval by RCTC; and

5) Test Report - 15 days after completion of individual test.

TSP shall provide revised plans 10 working days after receipt of RCTC comments. If the TSP addresses all comments the second version can be considered the final. If the TSP includes outlines for individual test plans in the Master Test Plan, they may submit the first submission of the plan without submitting an outline first. TSP may request a meeting with RCTC to review their comments and walk through assumptions with RCTC to expedite the submission process.

5.4 Electronic Toll Collection System Testing

5.4.1 General

For ETC testing, TSP shall develop Individual Test Plans for each of the major tests including:

1) ETC Factory Acceptance Test (FAT);

2) Onsite First Installation Test (OFIT); and

3) ETC Site Commissioning Test.

The TSP shall provide a fleet of vehicles and drivers for testing under various conditions including degraded conditions. Testing may need to occur during nighttime hours (10PM to 5AM). The TSP shall test both Title 21 and 6c transponders.

5.4.2 ETC Factory Acceptance Testing

The FAT for the ETC shall include testing of all systems integrated and configured for TCS. The FAT shall occur at the end of development and prior to the installation of any TSP Equipment as part of the D&D Work. The FAT shall take place at TSP's designated facility in a manner that is easily observable by RCTC personnel. The FAT shall take place in the continental United States.

The FAT shall be a complete test of the integrated systems using exactly the same equipment and configurations as TSP will use in production following the RCTC approved test plan and test scripts. The FAT shall include the communications Hardware.

The FAT may be scheduled in phases with the final phase including tests for the complete integrated system. The FAT shall include testing of the AVI subsystem to operate in dual protocol mode.

The test plan shall list any requirements that TSP cannot test in the ETC FAT, the reason for their exclusion and when they will be tested.

TSP shall conduct a preliminary test of all interfaces.

TSP shall use traffic simulation Software or other mutually agreed upon traffic data sets to create necessary traffic data and use it to perform tests including:

1) Volume stress tests;

2) Full exercise of all reports; and

3) Pricing algorithms.

TSP shall use a dual lane configuration for FAT testing.

OFIT shall not begin until FAT tests are successfully completed and the test reports are approved by RCTC. Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.4.3 Onsite First Installation Test

The OFIT shall be a complete test of the integrated ETC as allowed by the installation of a single set of roadside equipment. The test plan shall tie in with the RTM indicating which requirements

are included in the test. OFIT will include actual vehicles driving to create Lane Transactions in many combinations. It will also include Lane Transactions created in various failure modes.

The OFIT shall take place after the installation of the ETC Host, plus a full set of Equipment at the roadside including all the Equipment necessary to:

1) Create Lane Transactions (transponder and image-based) and trigger enforcement beacons;
2) Trip Build (use of simulated data allowed);
3) Display prices on VTMS;
4) UPS and Generator functionality
5) Collect traffic data from TMS sensors;
6) View DVAS output;
7) View Occupancy Detection output;
8) View CCTV output; and
9) Communicate with the ETC Host.

The OFIT shall include tests of the network configurations at both the lane and Host levels.

TSP shall demonstrate that the AVI subsystem meets performance standards, requirements of the Contract and KPIs for reading both Title 21 compliant legacy transponders and 6C transponders.

TSP shall execute the OFIT at the toll Zone handed over by the DB Contractor. The OFIT will require the necessary civil work, power and communication infrastructure be made available to make this test feasible. TSP shall have conducted and signed off on the Civil Site Acceptance Checklist in accordance with Contract Section 8.5 prior to the beginning of OFIT.

OFIT should be performed under differing light conditions including bright sun light, dusk and nighttime

TSP shall not commence installation on further Packages (excluding Package 1) until RCTC approves OFIT results. Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.4.4 ETC Site Commissioning Testing

TSP shall have conducted and signed off on the Civil Site Acceptance Checklist in accordance with Contract Section 8.8.4 prior to the ETC Site Commissioning Test. The ETC Site Commissioning Test is intended to test all ETC and TMS functionality on the I-15 EL.

The ETC Site Commissioning Test shall include ensuring that the ETC Host can meet all requirements when faced with multiple Equipment sites. The ETC Site Commissioning Test shall include using vehicles to create actual Lane Transactions in many different configurations. The test shall, at a minimum, include:

1) Correct Trip Building and toll rate assignment;

2) Exception processing;

3) Toll rate corrections;

4) Incident reporting;

5) Accounting and audit functionality; and

6) Failure conditions.

The ETC Site Commissioning Test shall test functionality that could not be tested in previous tests or that has changed as a result of the complete installation of the entire TCS. The ETC Site Commissioning Test will include actual vehicles driving to create Lane Transactions in many combinations. It will also include Lane Transactions created in various failure modes. The ETC Site Commissioning Test plan shall, at a minimum, include:

1) Posted Trip price tested from live driver reports;

2) Live traffic data capture and transaction assembly;

3) Dynamic Pricing for the entire I-15 EL;

4) Trip Building for both transponder based and image based trips;

5) Toll Rate setting and overrides;

6) Reports across multiple Zones;

7) Building of files to send to the CSC; and

8) Ad-hoc report capacity.

The ETC Site Commissioning Test, at a minimum, shall:

1) Complete full testing of all system functionality, from the lane through the ETC Host to the CSC system and TMS;

2) Demonstrate that transaction files, correction files and all other required communications can be successfully sent to the CSC and that the reconciliation files and all other required communications from the CSC can be successfully received by the ETC system;

3) Demonstrate that these files are complete and accurate;

4) Demonstrate that the reconciliation data is properly stored in the database and reflected on all reports;

5) Test all other interfaces with the ETC system, including the TMS and MOMS; and

6) Demonstrate that TOC operators and CSRs can properly access the required screens and data and not access unauthorized portions of the system.

Revenue Service Commencement shall not begin until the test results from the Site Commissioning Test have been approved by RCTC. ETC Site Commissioning Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.5 Customer Service Center Testing

The TSP shall develop Individual Test Plans for each of the major tests including:

1) CSC FAT;

2) CSC Installation; and

3) CSC System Commissioning Test.

5.5.1 CSC Factory Acceptance Testing

TSP shall perform FAT of the CSC. FAT shall verify that TSP has successfully developed the CSC in accordance with the requirements set forth in these TPs and the subsequent design documentation as approved by RCTC. The FAT shall take place at TSP's facility in a manner that is easily observable by RCTC personnel. The FAT shall take place in the continental United States. TSP may combine the CSC FAT with the TCS FAT with the approval of RCTC.

Additionally, after successful approval by RCTC, Factory Acceptance Testing shall provide the basis for TSP to begin preparation for deployment efforts.

TSP shall fully demonstrate system functionality including, at a minimum, the following:

1) Call Center – CSR Call Processing, IVR Functionality;

2) Customer Account Management Functions;

3) Discounts and Adjustments;

4) Violation Management Functions;

5) Transponder Inventory Management Functions;

6) All Website Functionality and GUI;

7)

8) CTOC processing;

9) Rebill and Payment Processing – Including credit/debit card, ACH, cash, check;

10) Transaction Processing – Including the processing of all transaction types through their full life-cycle (lane to account, (FasTrak® or Violation) account posting and accurate population on all related reports);

11) Financial Accounting Functionality – Including reconciliation, audit and reporting;

12) Reporting;

13) Job Scheduling; and

14) System Interfaces, including, at a minimum:

a. ETC system

b. RCTC Financial Management System

c. CTOC

d. Banks

e. Credit/Debit Card Service Providers

f. Collection Agency

g. California DMV

h. Out-of-State DMVs or third party aggregators

i. Large Account Holders, Fleet Managers and Rental Car Companies

j. Franchise Tax Board

k. National Change of Address Service

l. Address Update Service

m. US Postal Service Intelligent Mail Barcode

Anomalies, failures, or other issues identified during FAT shall be documented and tracked in a punch list format. TSP shall not proceed to CSC Installation until the CSC FAT has been successfully completed. Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.5.2 CSC Installation Test

TSP shall perform CSC Installation Test following FAT. The CSC Installation Test shall verify that the CSC Equipment has been properly installed, configured, and is working prior to start of CSC System Commissioning Testing. Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.5.3 CSC System Commissioning Testing

TSP shall perform CSC System Commissioning Testing following Installation Tests. The intent of the CSC System Commissioning Testing is to verify that the CSC is fully integrated, interoperable with the CTOC Agencies, and ready for CSC Commencement.

CSC Commissioning Testing, at a minimum, shall:

1) Demonstrate that the TCS and related Toll Services are fully installed, integrated, and functioning per these TPs and approved design documentation;

2) Test all TCS functionality, including any and all equipment, Software, and internal and external interfaces under controlled test conditions;

3) Be performed after the TCS has been installed in the CSC. The CSC portion of the ROC may go live prior to the TOC, ETC, and Communication Network. The phasing of tests and scheduling of tests and start of operations shall be defined in the Master Test Plan and Project Schedule; and

4) Demonstrate all core functionality originally tested during FAT as well as any remaining functionality not tested in an earlier test phase.

TSP shall not use CSC System Commissioning Testing to regression test or address any punch list items identified during Installation Testing.

CSC System Commissioning Testing shall commence with a series of baseline test procedures to demonstrate core functionality in an unambiguous fashion. The TSP's testing program shall be completed in a logical structure beginning with internal interfaces, then external interfaces, and verification of compliance with all work flows, business rules, and policies established during the design and development process.

TSP shall manage the development and documentation of all work flow, Business Rules, and policies throughout the design and development process. Failure to acknowledge and or document any such item shall not relieve the TSP of its obligation to provide said functionality or component.

CSC System Commissioning Tests shall be directly observed by RCTC and/or its authorized representative(s).

RCTC reserves the right, at its sole discretion, to determine if the TCS, any associated services, component or sub functions are operationally ready. In the event RCTC deems any particular element to be in non-compliance with Contract requirements, it may direct TSP to proceed with TCS operations while excluding the said non-compliant element.

RCTC reserves the right to decline the use of simulated data if it feels that in doing so it will not accurately reflect the achievable test result(s).

CSC System Commissioning Testing shall not be considered a follow up or supplement to any previous test phases.

TSP shall test all interfaces to demonstrate the establishment of communications as well as successful operational processing with each of the required interfaces, both internal and external. At a minimum, interface testing shall verify functionality of the following interfaces:

1) Physical Hardware/communications interfaces;

2) Data interfaces;

3) TCS interface with TCS Hosts;

4) Interoperability data interfaces to other CTOC back offices;

5) DMV interface;

6) Bank interface;

7) CSC/Credit card clearinghouse;

8) Cash payment network;

9) Rental/Fleet vehicle interface;

10) Collection agency interface;

11) Lockbox service to CSC interface; and

12) Web and IVR.

Any additional interfaces identified during the design and development process, as agreed to and approved by RCTC, shall also be fully tested during the CSC System Commissioning Test.

Testing shall include end to end testing of each transaction type from the lane to the Account and then to Violation processing. End to end testing shall include live vehicle drives which document the price observed by the driver and confirmation of the price for all lane modes, trip combinations, tag-plate combinations and transponder switch settings.

5.6 TCS Testing

5.6.1 General

For TCS testing, TSP shall develop Individual Test Plans for each of the major tests including:

1) TCS Disaster Recovery and Back-Up Test;

2) TCS Operations Test; and

3) TCS Acceptance Test.

5.6.2 TCS Disaster Recovery and Back-Up Test

TSP shall conduct a complete test of the disaster recovery back-up equipment and plans. The plan for this test shall include instructions for mimicking several disaster and failure scenarios, which the TSP will outline in its Disaster Recovery Plan.

Testers shall follow the procedures outlined in the Disaster Recovery Plan to determine whether both the System and the Disaster Recovery Plan allow RCTC to continue operations and recover all data. The Disaster Recovery and Back-Up Test shall include both fail over to disaster recovery and back to normal operations.

It is a condition of Revenue Service Commencement that the test results from the disaster recovery and back-up testing have been approved by RCTC. Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.6.3 TCS Operations Testing

TSP shall conduct Operations Tests after the successful Commission Testing. These tests shall not be a scripted, controlled test but rather systematic monitoring of the TCS before Revenue Service Commencement.

The Operations Test plan shall detail the methods, amounts, and types of data collected during the testing period. The Operations Test plan shall detail the method for evaluating how these data collection efforts demonstrate that the TCS meets functional requirements and KPIs.

TSP shall provide a method for RCTC to formally report issues and defects discovered during the course of day-to-day operations of the TCS.

The Operations Test shall run consecutively for 2 weeks, any Critical Failures will result in a restart of the test.

TSP shall create a punch list of defects and a report on requirements of the Contract and KPIs early in the operations testing period to allow early fixes and retesting without requiring disruption to the operation of the I-15 EL.

Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.6.4 TCS Acceptance Testing

TSP shall perform TCS Acceptance Testing as set out in Contract Sections 8.13.1 of the Contract. The TSP shall have the Source Code Escrow open prior to start of TCS Acceptance Testing. TCS Acceptance Testing shall verify that the TCS and all related Toll Services are in conformance with these TPs and subsequently approved Final Design Document including the ETC, CSC, TMS, Communication Network and MOMS. Activities during this period of monitoring will include any necessary scripted test documentation and unscripted ad-hoc tests as well as monitoring of day-to-day functions of the TCS system.

TCS Acceptance Testing shall be performed under live conditions, using actual production data where practical, for a period of 45 days after the Revenue Service Commencement Date and be approved by RCTC within 120 days of the Revenue Service Commencement Date. The TCS Acceptance shall include two (2) monthly reporting cycles and acceptance of two (2) months of reports. TCS Acceptance Testing shall demonstrate that TCS meets all KPIs.

Testing shall be directly observed by RCTC and/or its authorized representative(s).RCTC and or its authorized representative(s) may assume direct roles as TCS test observers to validate test processes and results.

TSP shall manage and track any anomalies, failures, or other issues noted under TCS Acceptance Testing. These observations shall be tracked in a punch list format and reported on a weekly basis, at a minimum, to RCTC. TSP shall satisfactorily address all previous punch list items prior to TCS Acceptance. Throughout the 45-day TCS Acceptance Test, any system problems, errors, failures, or malfunctions will be categorized based on level of severity. The four levels of severity to be considered are:

1) Testing Priority 1 – Hardware or Software or component or process that is critical to the operation does not function and could result in the loss of revenue.
2) Testing Priority 2 – Hardware or Software or component or process does not function. There is no risk of loss of revenue or data; however, there is negative impact to customer.
3) Testing Priority 3 – Hardware or Software or component or process does not meet the design functionality and/or impedes the operation of the system but does not affect the collection of revenue or negatively impact the customer.

4) Testing Priority 4 – Hardware or Software or component or process does not meet the design functionality and/or is “cosmetic” in nature. Failure is transparent in nature to both the customer and RCTC.

The success or failure of the 45-day TCS Acceptance Test will be determined by the number and type of severity levels encountered during the test. The following represents the impact of each of the severity levels on the test:

1) Testing Priority 1

a. One (1) incident indicates a failure of the 45-day test.

b. The 45-day test is stopped. Once the problem is resolved, the 45-day test is restarted from Day 1.

2) Testing Priority 2

a. Does not indicate a failure of the 45-day test.

b. The 45-day test is stopped. Once the problem is resolved, the 45-day test will resume from the date on which it was stopped. Once the problem is resolved, the implemented fix will operate without flaw for a minimum of seven consecutive days, which may extend the 45-day test period.

3) Testing Priority 3

a. Does not indicate a failure of the 45-day test.

b. The 45-day test is stopped. Once the problem is resolved, the 45-day test will resume from the date on which it was stopped. Once the problem is resolved, the fix will operate without failure for a minimum of seven consecutive days, which may extend the 45-day test period.

4) Testing Priority 4

a. Does not indicate a failure of the 45-day test.

b. The 45-day test is not stopped. The problem is resolved in a timely fashion.

All TCS Hardware and Software shall be carefully tested. Verification that all reported problems have been resolved will be obtained using several methods, including event logs, service call logs and other additional information that can be gleaned from system-generated information maintained by TSP or other data sources. TSP shall schedule daily status meetings during the 45-days of monitoring to ensure that RCTC is fully aware of all System and Equipment failures, and RCTC and TSP staff shall review system/equipment failures and classify the severity levels at such meetings.

The TCS Acceptance Test shall be the final test to be completed and shall only be initiated once all of the TCS elements have been installed and configured, all previous tests have been successfully completed and Revenue Service Commencement has been achieved.

5.7 Annual Renewal Testing

TSP shall perform Annual Renewal Testing as set out in Contract Section 8.14. The intent of Annual Renewal Testing is to verify that the TCS and all related services remain within the requirements of the Contract. The Annual Renewal Test shall test components of the TCS that cannot be verified with MOMS and KPIs. Testing shall be directly observed by RCTC for the ETC and both Agencies for the BOS and/or its authorized representative(s). Annual Renewal Testing shall, at a minimum, include demonstrating:

1) Full end to end testing of transactions from lane to CSC validated through the DVAS;
2) Lane Controller can accurately detect vehicles, assign ETC reads and images, and properly associate the data to a Lane Transaction;
3) Lane Controller can capture and process 2,500 vehicles per lane per hour;
4) AVD can detect and separate vehicles travelling as speeds from zero to 100 mph; an exception to 100 mph testing will be granted if not able to test safely.
5) Enforcement Beacons flash per the Business Rules;
6) Functional performance test of the TMS components, including speed calibration of detection systems;
7) Website responds to Account Transaction queries, statement requests, and Violation Notice requests within 3 seconds;
8) CSC CSR interface responds to queries within 3 seconds to standard account lookups, license place lookup, violation notice lookup, image retrieval, payment processing, and account updates; and
9) Backup and disaster recovery.

The TSP shall submit an Annual Renewal Test Report that summarizes the results of the test for review and approval by Agencies.

6 SYSTEM INTERFACES

6.1 General Requirements

For interfaces with systems external to the TCS, TCS shall communicate using an Interface Control Document (ICD). All ICDs shall be submitted to RCTC for approval as part of the Final Design Review.

During the D&D Phase TSP shall work with RCTC and third parties on the schedule and frequency of all ICD file exchanges.

Each ICD shall include file formats, message guarantee structure, control totals, receipt acknowledgement, error checking and handling, retransmission procedures, archiving, file rejection parameters, and other related specifications. The ICD shall address the physical, functional and performance aspects of all interfaces. Equivalent solutions to the traditional file exchange methodology will be permitted with approval from the applicable Agency.

ICDs shall be created or modified to describe all Hardware and Software interfaces, including, at a minimum:

1) RCTC 91 and 15 EL ETC to the CSC;
2) OCTA 91 EL ETC to the CSC;
3) TMS to the Department Traffic Operations Center;
4) CSC to RCTC financial management system;
5) CSC to CTOC;
6) CSC to banks and merchant service providers;
7) CSC to credit/debit card service providers;
8) CSC to a collection agency;
9) CSC to California Department of Motor Vehicles (DMV);
10) CSC to out-of-state DMVs and/or third party vehicle registered owner data aggregator(s);
11) CSC to Large Account holders, fleet managers and rental car companies and their representative third parties;
12) CSC to Franchise Tax Board;
13) CSC to United States Postal Service (USPS) Intelligent Mail Barcode (IMB) services; and
14) CSC to other services determined necessary by TSP to perform Toll Services with the approval of RCTC.

The TCS shall generate reports that shall verify that all files were transmitted and received with control totals, file names, and transmission details. The TCS shall also report on files that were

transmitted but not received or acknowledged due to a communications issue. The reports shall verify that all data transmitted from the Host system were received. As such, all reports shall provide detail and summaries by transaction date (the date the actual transaction occurred) and transmission date (the date the transaction was transmitted by the Host).

The TCS shall provide alarms or notifications when the TCS cannot send a file, does not receive a timely acknowledgement, receives an improperly formatted file, or fails to receive a file on schedule and automatically log Event Transactions for reporting. TSP shall report any ICD communication issues lasting more than 2 hours to OCTA/RCTC. TSP shall reconcile and resolve any interface discrepancies.

6.2 ETC System to CSC

Using the ICD developed during the D&D Phase and the existing OCTA 91 EL ICD, the TCS shall:

1) Send files no less frequently than hourly;
2) Send acknowledgements for all files sent to the CSC;
3) Reject files sent from the CSC according to agreed-upon parameters;
4) Process acknowledgements from the CSC for all files sent to the CSC;
5) Create and send files containing batches of Trip Transactions. These files shall be separated into ETC and Image Based Transaction (IBT) files, each containing transactions from only one Revenue Day. The Host shall send several ETC and IBT files per day on a schedule agreed upon during TCS design;
6) Provide detailed reports on any Transactions not sent to the CSC with appropriate coding;
7) Create and send a file containing an image set corresponding to a single IBT for every such Transaction sent to the CSC in an IBT batch file. Each image file shall contain two images;
8) Create response files, recording detailed reconciliation information for every Transaction that reaches a final status at the CSC; and
9) Be transferable to other express lanes for use of the CSC.

6.3 TMS to the Department Traffic Operations Center

Using the ICD developed during the D&D Phase, the TCS shall provide direct CCTV video feeds from video distribution server to Department through the Network Communication System.

6.4 CSC to ETC System Interface

TSP shall work with RCTC during the D&D Phase of the CSC to develop an interface between the CSC and the ETC systems. TSP shall document the interface requirements in the form of an ICD. TSP shall maintain and update the ICD upon the occurrence of any changes affecting the data exchange between ETC system and the CSC.

The CSC shall provide data elements such as Transponder Status Files a minimum of four (4) times per day via the interface.

RCTC desires separate CSC and ETC hosts with an ICD governing their interaction for transparency, future addition of corridors, and easier auditing.

6.5 California Toll Operators Committee (CTOC) and Interoperability

TSP shall perform all functions required for interoperability with CTOC member agencies.

TSP shall adhere to the proper use of any CTOC and FasTrak® related logos as defined by license or trademark agreements. TSP shall include CTOC marketing materials or messages in the customer correspondence and Customer Website at the direction of the applicable Agency. TSP shall participate in CTOC meetings at the request of the applicable Agency

TSP shall provide a point of contact for resolution of issues arising with respect to customer service for interoperable transactions. The TCS shall also support all of Agencies' Business Rules. The TCS shall process multiagency toll data in compliance with current CTOC rules and regulations and exchange Trip Transaction and Transponder data, and payment requests with interoperable agencies through the CTOC support structure and specifications requirements.

TSP shall be familiar with the most recent published CTOC Technical Specifications (provided as Attachment 19.1) and the agency User Fee Processing Agreements (to be provided upon completion), to ensure continuous full interoperability and reciprocity with all other CTOC member agencies during the Term.

TSP shall comply with all business rules set forth in the CTOC Technical Specifications and agency User Fee Processing Agreements (to be provided upon execution by Agencies and other CTOC agencies).

The CTOC settlement reports define a standard set of documents for the purpose of supporting the transfer of funds between agencies served by different customer service centers. The documents define a suggested set of reports that can be used by agencies to reconcile prepaid tolls and expected toll revenue. Agencies will enter into Cooperative User Fee Agreements with all participating agencies. TSP shall provide recommended reports and perform reconciliation as required.

TSP shall manage the payables and receivables associated with the CTOC processing. TSP shall establish a process for invoicing and paying interoperable partners, and submit such process to RCTC for review and approval. The TCS shall be Configurable to easily add new interoperable partners as they join CTOC. Addition of new interoperable partners shall be a Configurable Parameter. The TCS shall be Configurable to easily add or change interoperable partner's plaza identifications and assigned Transponder ranges. Such changes shall be Configurable Parameters. The TCS shall uniquely identify and report between home and away transactions and revenue. The TSP shall include reporting and processing of credit card fee settlement activity between the agency and partner agencies.

TSP shall train its staff on the operation of all CTOC facilities and the interoperable process in order to provide customers with accurate information and resolve any interoperable issues a customer may incur. The TCS shall remove duplicate interoperable transactions according to agreed-upon Business Rules before creating and sending CTOC transaction files. The TCS shall

check transactions files received from CTOC partners for duplicate transactions prior to posting to Accounts. The TCS shall allow for the payment of Violations issued to CTOC customers according to the business rules defined in the CTOC Technical Specifications.

6.5.1 File Exchange and Posting

The TCS shall include an interface with a reciprocity server to send and receive valid transponder Trip Transactions, IBT Transactions, Tag Status Files (TSFs) and license plate files to and from CTOC member agencies at configurable time intervals. The CTOC Technical Specifications document included in Section 19.1 defines the formats for all reports which shall be transmitted between customer service centers belonging to CTOC agencies.

TSP shall establish processes to monitor the sending and receiving of all files and notify any reciprocal agencies for which a file has not been received or sent according to the CTOC Technical Specifications.

The TSP shall process all CTOC files according to the predetermined processing schedule. The TCS shall be updated with plate and Tag Status Files within one (1) hour of receipt. The TCS shall adhere to the posting rules specified in the CTOC Technical Specifications and the Business Rules.

TSP shall be responsible for any lost revenue resulting from failure to properly process interoperable files according to the CTOC Technical Specifications and shall pay the applicable Agency the amount of such lost revenue. The applicable Agency shall be entitled to deduct the amount of such lost revenues from compensation otherwise owing from the applicable Agency to TSP under the Contract.

6.5.2 Regional and National Interoperability

TSP shall support Agencies' participation in regional and national groups or coalitions focused on interoperable advancements and compliance with related legislation. TSP may be asked to attend meetings, participate in technical reviews, and provide analysis and estimates from time to time during the Term. The costs of these services shall be incidental to other items in the O&M Term.

6.6 CSC to Banks

TSP shall provide an interface to both Agencies' designated banks and related equipment for the purpose of processing check payments in accordance with Check 21 processes. The TSP shall process checks using Check 21 services and local processing to improve speed of check clearing and lower risk of fraud. The TSP shall interface with banks and merchant services to process ACH payments and authorizations.

6.7 CSC to Credit/Debit Card Service Providers

TSP shall provide an interface to credit/debit card service providers that provide direct access to obtain authorization for initial Account establishment, subsequent payments and Account replenishment charges to customer credit card accounts and to transfer funds from the applicable Agency's bank. The TSP shall utilize credit/debit Card services which provide for expiration date

updates. TSP shall enter into merchant service agreements required for credit/debit card processing with the applicable Agency's approval.

6.8 CSC to Collection Agency

At the applicable Agency's sole discretion and per the Business Rules, TSP shall refer debt associated with bankruptcies, open Violations, negative Account debt, and other debt, to the collection agency. The TSP shall adjust customer Violator Accounts for payments and write offs received from the collection agency in a daily exchange of information. The use of a collection agency shall be at the option and discretion of the applicable Agency. If an agreement with a collection agency is not established during the D&D Phase, the TSP shall develop, test and deploy the interface upon direction of the applicable Agency at any point during the Term. The party responsible for contracting for collection agency services shall be determined during the system design.

Costs related to collection agency fees shall be a pass through cost charged to the applicable Agency.

6.9 CSC to California DMV

The TSP shall establish an interface with the California DMV for the purpose of obtaining registered owner information for open tolls and fees, and the placement and administration of vehicle registration holds and suspensions. The TSP shall comply with all DMV requirements related to the interface and assist Agencies in establishing the TSP as both Agencies' agent of record. The interface shall provide for near real time, as permitted through the ICD, updates on holds, payments, and releases both at the CSC and DMV. California DMV registered owner lookups are provided at no cost. The cost of placing vehicle registration holds and suspensions shall be net from funds collected by the DMV and recorded as an expense to the applicable Agency by the toll system.

6.10 CSC to Out-of-State DMVs/3rd Party Vehicle Registered Owner Data Aggregator(s)

The TSP shall establish a process for obtaining registered owner information for Image Based Trip Transactions from out-of-state DMVs and/or third party vehicle registered owner data aggregator(s). TSP shall obtain the registered vehicle information for out-of-state license plates in accordance with the Business Rules.

The charges for DMV lookups shall be borne by the TSP and included in the Violation Processing line item.

6.11 CSC to Large Account Holders, Fleet Managers & Rental Car Companies/Representative Third Parties

The TSP shall establish an interface with Large Account holders, fleet managers, and rental car companies or their representative third parties to support Violation processing. TSP shall enter

into agreements with all major rental car companies, subject to Agencies' approval for the purpose of processing rental car Violations. The interfaces shall facilitate the terms of the agreements and shall include, at a minimum, plate exchange, retailer information, transaction information, and payment information.

6.12 CSC to Franchise Tax Board (FTB)

TSP shall create a report (per the FTB requirements) for the California's Franchise Tax Board in order to attempt collection of customer and violator debt through the tax intercept process. The report shall be developed during the D&D Phase. Referral of debt to the FTB shall be in compliance with the Business Rules and occur once per year.

6.13 CSC to National Change of Address Service

TSP shall establish an interface with the National Change of Address Service to ensure use of USPS standardized address and address updates on all mailed correspondence.

6.14 CSC to Address Update Service

TSP shall establish an interface with a skip trace or address update service for the purpose of obtaining new addresses for undeliverable mail or reprocessing of forwarded mail.

Skip trace services shall be used when an NTEV or NDTEV is returned undeliverable without a forwarding address and the total dollar value is over $50.00 (Configurable Parameter). This value shall be a Configurable Parameter and be determined during design by Agencies based on the cost/benefit of such services.

6.15 CSC to US Postal Service (USPS) Intelligent Mail Barcode (IMB) services

The TSP shall exchange files to provide mail tracking information to the CSRs, receive automated address update services and other services necessary to validate mail delivery.

7 ELECTRONIC TOLL COLLECTION SYSTEM (RCTC Only)

7.1 General Requirements

The ETC System encompasses all tolling Equipment deployed along the RCTC15 ELs and RCTC 91 Els and the ETC Host. The ETC System shall have no single point of failure.

7.1.1 Physical Environment

TSP shall assess the unique environment of the 15 and 91 Corridor and locations where equipment will be installed by TSP. TSP shall design the ETC System to meet the requirements of the Contract and KPIs under all local conditions.

TSP shall provide an ETC System that is compatible with the DB civil infrastructure and the DB Work. Modifications to the civil design are subject to design approval of RCTC and the Department.

7.1.2 Scalability and Flexibility

TSP shall develop a scalable and flexible ETC System that can be expanded if more Read Points or additional EL corridors are developed and accommodate growth in transactions. The ETC System shall be able to account for varying business rules at the lane level and provide for transaction reporting by facility.

7.1.3 Radio Frequency

TSP shall perform a radio frequency survey to ensure there are no conflicts with the designed ETC system during PDR. The TSP shall acquire the required FCC license in RCTC's name.

7.1.4 Hardware

All ETC Equipment and enclosures shall be protected from corrosion, especially electrical connections which must be removed and reconnected during preventative or remedial maintenance.

All Equipment supplied by TSP shall operate in the electromagnetic environment present on I-15 without any errors or degradation due to electromagnetic interference (EMI) or interference to the surrounding environment.

All Equipment shall account for vibrations and wind loading.

All Equipment shall meet the latest industry standards.

All Equipment shall be new.

TSP shall secure the ETC system to protect it from theft or vandalism through pull box security, door locks, and door alarms. TSP shall work with RCTC and DB Contractor to develop and implement a mutually agreeable theft protection design. TSP shall provide the security measures to deter and/or prevent such theft or vandalism, with devices and active security measures including, at a minimum:

1) Tamper resistant Hardware;

2) Active monitoring devices; and

3) Weatherproof material with identification of property owned by RCTC.

Hardware shall be designed with the following specifications:

1) All components that perform the same function shall be interchangeable;

2) Replacement parts and units shall be modular such that each can be changed without equipment modification between lanes and tolling points;

3) All electronic components shall be installed in NEMA 3 or NEMA 4 Enclosures;

4) ISO standard input/output interface modules shall be used in the design and all serial, discrete and network interface boards shall have at minimum two spare slots to support the addition of components, when commercially available;

5) All field wiring shall be terminated on screw lugs or connectors and all connectors shall be keyed or polarized to prevent incorrect connections;

6) All wiring and connectors shall be labeled per industry standards and codes;

7) Surge suppression shall be provided for all field wiring susceptible to lightning or surges;

8) All lane Equipment shall be fused or circuit breaker protected against over current, over voltage, under voltage and lightning;

9) Power supplies shall be provided for all required internal DC voltages; and

10) All Equipment shall be properly grounded to ensure the safety of maintenance personnel.

7.1.5 Network

TSP shall work with DB Contractor on the Communication Network system, including supplying bandwidth requirements, reviewing the design and participating in the final end to end network testing.

TSP shall provide the Communication Network system maintenance and operations once DB Contractor has successfully tested the Communication Network system and TSP has completed the Communications Network Acceptance Checklist.

7.1.6 Unique Identifiers

The ETC System shall assign a unique identifier to each file, transaction, alarm, incident, or other type of information communicated between parts of the ETC System or through an external interface (e.g., Lane Controller to ETC Host and ETC Host to CSC Host).

These unique identifiers shall increment so that like events that follow each other chronologically shall have consecutive identifiers.

The TCS shall detect and report any gaps in unique identification numbers, missing transactions, files or incident reports.

7.1.7 Roadside Equipment Enclosures

TSP shall coordinate with the DB Contractor during the DB Contractor's civil design effort and provide the DB Contractor with TSP's specifications for foundations and mounting surfaces required for installation of the Lane Controller Cabinets to ensure that DB Contractor's work is compatible with the TCS design. TSP shall specify, furnish and install Lane Controller cabinets onto the foundations or mounting surfaces that the DB Contractor provides in accordance with the TSP's Infrastructure Requirements.

Lane Controller cabinets shall have at least 30 percent capacity for future expansion (rack unit U's) to accommodate added boards and components.

All roadside enclosures shall be appropriately weatherproofed, ruggedized and shall be NEMA 3 or NEMA 4 rated for field use, and shall include any necessary heating and cooling units to ensure proper and reliable operations in the environment. All enclosures shall provide for suitable air circulation such that internal enclosure temperature is controlled to meet the manufacturer's specifications for all equipment contained within the enclosures.

All roadside enclosures shall be appropriately sized such that they are unobtrusive and present minimal safety risk or hazard to traffic flow as determined the Department. Enclosures and locations are subject to approval by the Department and RCTC.

7.1.8 Uninterruptible Power Supply

TSP shall provide Uninterruptible Power Supply (UPS) back up at all revenue critical tolling Equipment locations sufficient to maintain normal Tolling Operations for a minimum of two (2) hours.

The UPS shall provide alarms and report health status to MOMS.

7.2 Electronic Toll Collection System Equipment

The TSP's obligations with respect to ETC System Equipment encompass all tolling Equipment deployed along the I-15 Corridor. All ETC System Equipment shall be purchased (not leased).

7.2.1 Automatic Vehicle Detection System

TSP shall provide and install an Automatic Vehicle Detection (AVD) system at each Read Point to detect vehicles in the ELs with the following functionalities including the ability to:

1) Detect accurately vehicles between 0 and 100 MPH, and
2) Separate vehicles spaced six feet or more apart.

The AVD system shall properly frame each Radio Frequency Identification (RFID) transaction and video image to ensure that roadside sensor data is attributed to the correct vehicle.

The sensors shall provide vehicle event messages and signals to the Lane Controller and may also trigger the VES cameras. If the sensors maintain time separately from the Lane Controller, they shall synchronize time with the Lane Controller. The sensors shall perform diagnostics and report health to the Lane Controller, and to MOMS when polled or at configurable intervals.

7.2.2 Automatic Vehicle Identification Subsystem

TSP shall install a fully functioning Automatic Vehicle Identification subsystem with all associated electronic devices required at each Read Point for communication to vehicle transponders and the Lane Controller.

The AVI subsystem shall be capable of reading interior mounted, exterior mounted and switchable transponders.

The AVI subsystem shall synchronize the time with the Lane Controller. The AVI reader subsystem shall enable the Lane Controller to poll and determine the AVI reader subsystem's health at configurable intervals, and report status to MOMS. For transponders that have the functionality, the TCS shall configure the ability to turn on or off the transponder "beep" functionality as agreed upon during the design process.

7.2.2.1 Functionality

The AVI subsystem shall include, at a minimum, the following functionalities:

1) Correctly associate Transponders to vehicles when the vehicles are traveling in the EL, straddling lanes, or traveling on the shoulder;
2) Not read Transponders in the I-15 General Purpose Lanes or in the opposite direction of travel;
3) Provide all electronic interaction to the Transponder and ensure that a Transponder identification number is recorded only once per passage through the Read Point;
4) Read and buffer, at minimum 30 days of transponder reads, in the event that communication to the Lane Controller is unavailable;
5) Allow for removal of Transponder reads from the reader via alternate method for lane Transaction processing in the event of loss of communications. Transponder reads shall be automatically sent to the Lane Controller when communications are reestablished; and
6) Detect, report, and store the time, date, and Transponder number of all transponder reads at a Read Point regardless of the state of the Lane Controller computer and the ETC Host.

7.2.2.2 Multiprotocol Capabilities

The AVI subsystem shall have the following multiprotocol capabilities:

1) The AVI subsystem shall simultaneously support at least two protocols;
2) The AVI subsystem shall support Title 21 protocol;
3) The AVI subsystem shall support the 6C protocol governed by ISO 18000 6C Tolling AVI Transponder Programming Standard maintained by the 6C Toll Operators Coalition. The AVI subsystem's 6C capabilities shall be certified by an approved independent third party lab and certification process under the OmniAir Certification Services' ISO 18000-6C Certification Program;
4) Title 21 protocol read performance shall not be degraded by the use of any second protocol;

5) The AVI subsystem shall support open road tolling environment, at highway speeds;

6) The AVI subsystem shall successfully read properly mounted (per the Business Rules) Transponders between 0 MPH and 100 MPH; and

7) The multiprotocol reader shall be able to read one vehicle equipped with a one protocol and read the next vehicle equipped with a Transponder of the other protocol in the same lane between 0 MPH and 100 MPH.

7.2.3 Violation Enforcement System

TSP will provide all necessary Hardware and Software required to support the VES (aka LPR, ALPR) in-lane requirements including, at a minimum:

1) The ability to capture a minimum of two (2) images of the rear license plate (if present) of each vehicle that passes through each lane at Read Point in the EL under all light conditions;

2) The ability to capture and process images of vehicles traveling in stop and go traffic, between 0 and 100 MPH, and vehicles with separation of at least six (6) feet;

3) The VES shall self-trigger, or have alternate solution, if necessary to detect vehicles passing through the Read Point in the event that the AVD system is unavailable;

4) Camera illumination devices shall be mounted such that the installation and operation of these devices does not affect driver safety in any fashion as determined by RCTC and the Department; and

5) The VES shall synchronize its time with the Lane Controller and shall be capable of performing diagnostics and reporting its health to the Lane Controller, and to MOMS at any time.

7.2.4 Lane Controller and Lane Transactions

The Lane Controllers shall process all data obtained from the in-lane equipment and subsystems to generate a Lane Transaction for each vehicle passing through a Read Point that accurately associates captured AVI reads and images.

All Lane Transactions shall be uniquely, sequentially identified from each lane (including shoulders and straddling).

TSP shall define and finalize the detailed transaction processing rules and the transaction message details during the D&D Phase in accordance with the Project Schedule; however, at a minimum the following basic requirements will apply:

1) All Transponder reads shall be processed and reported with a Lane Transaction;

2) The Lane Controller shall have the ability to process reads from multiple Transponders in a vehicle; and

3) The Lane Controller shall ensure that the creation of the Lane Transaction is completed prior to transmitting it to the ETC Host. The lane Equipment shall be capable of creating RFID and image based transactions in all traffic conditions.

The Lane Controller shall be able to automatically synchronize with the various subsystems to ensure the events in the lane correspond to the Lane Transaction generated and are associated with the correct vehicle.

Lane Controller functionality shall include start-up procedures for initialization, and for self-diagnostics test sequences. Upon initialization, the Lane Controller shall verify with the ETC Host that it has the latest configuration files, application Software, and any other files required to support the lane operations.

The Lane Controller shall synchronize its time with the ETC Host upon start up.

Messages shall be reported for all failure and anomaly conditions and a notification of the diagnostic check completion shall be transmitted to the MOMS. Failures and anomalies shall be defined during the D&D Phase.

Each Lane Controller shall have a unique Internet Protocol (IP).

TSP shall furnish all Equipment necessary for communications between the Lane Controller and connected subsystems.

The Lane Controller shall interface with the AVI subsystem. The Lane Controller shall report all Transponder reads as elements of the Lane Transaction; the details of the data format shall be finalized during the D&D Phase. Loss of communication to any element of the AVI system shall be immediately detected by the Lane Controller and transmitted to the MOMS.

The Lane Controller shall interface with the in-lane VES subsystem to capture and process images of all vehicles passing through the ELs in accordance with the Business Rules. Loss of communication to any element of the VES shall be immediately detected and transmitted to the MOMS.

The Lane Controller shall interface with the AVD system as necessary to trigger Transponder reads and VES cameras and accurately process Lane Transactions. Loss of communication to any element of the AVD system shall be immediately detected by the Lane Controller and transmitted to the MOMS.

All Lane Controllers shall be time synchronized either to the ETC Host server as a primary source or to a common time synchronization source. The Lane Controller will synchronize or transmit time synchronization messages with every device capable of maintaining time.

Lane Controller equipment shall be designed in a redundant configuration where there is a single primary Lane Controller with a “hot standby” secondary Lane Controller able to take over in the event the primary unit fails (automatic failover). TSP may propose alternate solution that provides equivalent redundancy, subject to RCTC approval. When the secondary unit detects that the primary is off-line, the secondary unit shall assume the functions of the primary unit without manual intervention. Messages shall be generated when such an event occurs. These messages shall be automatically transmitted to the MOMS.

TSP’s redundancy design shall ensure that there is no loss of Lane Transactions or of revenue when one of the Lane Controllers fails. Only one Lane Controller (either the primary or secondary) at any Read Point at a time shall generate Lane Transactions. The switchover from the primary Lane Controller to the secondary Lane Controller shall be transparent to the rest of the TCS.

The TSP shall provide an automated means of synchronizing the Lane Controller and ETC Host in the event that any of the following events occur: (1) the Lane Controller is replaced; (2) communications are down; (3) control is switched from one of the redundant Lane Controllers to the other; or (4) when data on the Lane Controller is not retrievable due to a catastrophic failure.

The Lane Controller shall allow for manual exchanges of data with the ETC Host via portable data storage devices in the event of a communication failure. This shall include transfer of Lane Transactions from the Lane Controller to the ETC Host and data from the ETC Host to the Lane Controller.

The Lane Controller shall be capable of operating in a stand-alone mode. The Lane Controller shall be capable of storing all Lane Transaction information and all images for 30 days.

All messages between the Lane Controller, various components, peripherals, subsystems, and the ETC Host shall utilize a documented, open, non-proprietary industry standard communication protocol that is made available to and approved by RCTC during the D&D Phase.

7.2.5 Electronic Toll Collection System Enforcement

7.2.5.1 Occupancy Enforcement

Enforcement of proper vehicle occupancy for discounted passage in the ELs shall be facilitated by beacon light(s), illuminated with a color or number to be determined by RCTC during the D&D Phase, within 0.20 seconds of the Transponder read by the AVI antenna to indicate the vehicle's Transponder-based occupancy declaration. The occupancy enforcement beacon shall illuminate once, each time the vehicle passing under the gantry is detected with a Transponder read declaring sufficient occupancy for discount passage. Illumination of the occupancy enforcement beacon lights shall be distinguishable between consecutive vehicles.

The occupancy enforcement beacon functionality shall be able to be turned on and off via a Graphical User Interface (GUI). At every Read Point, up to two (2) occupancy enforcement beacon types may be present as determined by RCTC during the D&D phase.

7.2.5.1.1 Overhead Beacon Light

The overhead beacon light (OBL) shall be a light mounted overhead at Read Points over each EL and determined by RCTC during the D&D Phase. The beacon shall be capable of emitting a color or character. The beacon shall emit a light if a vehicle is detected with no Transponder read in the Lane or displaying the Transponder status by light, character or symbol. The TCS shall provide the ability to turn the beacon functionality on and off via a GUI.

The OBL must be visible to California Highway Patrol (CHP) before the read point and for vehicles CHP traveling in the same direction of travel in the EL and the I-15 General Purpose Lanes and must not be a distraction to drivers as determined by RCTC and the Department.

7.2.5.1.2 Observation Area Beacon Light

At select Read Point locations with CHP observation areas, TSP shall mount a directional beacon signal head for visibility from the CHP observation areas and the signal must not be a distraction to drivers as determined by RCTC and the Department.

TSP shall install the Observation Area Beacon Light (OABL) on a height-adjustable mount for visibility calibration.

7.2.6 Variable Toll Message Signs

VTMS shall be used to communicate EL toll rate information to motorists via LED panels affixed to the overhead toll rate sign structures. The VTMS LED panels shall be managed by VTMS controllers that will communicate with the ETC Host to display toll rates and custom input messages.

7.2.6.1 General Requirements

The TSP shall provide VTMS LED panels. At each VTMS location, there shall be up to three (3) LED panels as illustrated in Figure 7-1.

Figure 7-1: Sample VTMS



The toll rate LED panel shall support 8-18 inch characters using an 8x12 font to display toll rate information to the two destinations, per the detail above. The last VTMS in each direction will only have one toll rate destination and only require one LED panel for toll rate information. The general message LED panel shall support 20-18inch characters using an 8x12 font to display other tolling information determined in design. TSP shall provide VTMS LED panels that can display 18-inch high characters as required by CA MUTCD. The VTMS LED panel shall comply with the American Association of State Highway and Transportation Officials (AASHTO) “Standards Specifications for Structural Supports for Highway Signs, Luminaries and the section titled Dynamic Message Sign Assembly” and the Department’s sign requirements.

7.2.6.2 Coordination with DB Contractor

DB Contractor will furnish a warehouse space for the TSP to deliver the VTMS panels. The TSP will install the VTMS panels on the static signs and test to ensure proper function as agreed by DB Contractor, TSP and RCTC. The DB Contractor will move the static sign with the VTMS panels to the field and install on the gantry.

Each VTMS controller shall have a unique IP address that identifies its location. The VTMS with associated controllers and Software shall be capable of displaying CA MUTCD, and the Department and RCTC approved text. The VTMS shall be able to display amber color at a minimum.

The LED panel shall have the VTMS controller report to the ETC Host what is being displayed by interrogating the sign pixels. The VTMS shall report to the ETC Host what is being displayed on the LED panel at the time of every rate change, and the ETC Host shall store the display history for reporting. The LED panel shall include a light sensor to measure the ambient light and adjust the intensity of the LEDs to be visible under all light conditions.

The VTMS shall operate in a stand-alone mode if communications between the VTMS and ETC Host are down. The VTMS shall display the last toll rates for a configurable amount of time, per the Business Rules. Historical toll rates and messages for specified time periods that have been transmitted to the VTMS from the ETC Host shall be used in the event of a communication outage or other conditions as determined by RCTC during the D&D Phase. The VTMS shall store all displayed information while in stand-alone mode for a minimum of 30 days. Upon re-establishing communications with the ETC Host, the VTMS shall communicate to the ETC Host actual toll rates and messages displayed during the communication outage.

VTMS controllers shall be located in weather hardened roadside enclosures to be specified, provided, installed and integrated by the TSP. The VTMS controller shall monitor its health and that of VTMS subcomponents and shall report health diagnostic information and send alert messages to MOMS. The VTMS controller shall be time synchronized either to the ETC Host server as a primary source or to a common time synchronization source.

7.2.7 Occupancy Detection System

RCTC is interested in the implementation of an Occupancy Detection System (ODS) to assist in vehicle occupancy verification and enforcement and would like a fully functional and integrated ODS at the time of Revenue Service Commencement. The TSP shall work with RCTC to scope and design an ODS through PDR. The implementation and operation of an ODS is not within the current scope of the TCS; however, RCTC may elect to change the scope of the TCS at a future date to include the deployment, integration and operation of an ODS. The intent of the ODS is to meet the following italicized requirements.

The TCS shall include an Occupancy Detection System (ODS) for the purpose of comparing the actual occupancy of vehicles to the transponder switch setting and integration into the CSC per Section 8.7.6. The ODS shall be provided at one toll zone in each direction for a total of two (2) locations. The Toll Zone location selected will be the toll zone anticipated to include the highest percentage of all trips in each direction. The TCS shall compare the occupancy count from the ODS to the transponder switch setting self-declared by the customer and include both the switch setting and the ODS occupancy with the corresponding transaction.

The ODS solution may be in-vehicle, out-of-vehicle technology, or a combination thereof. The ODS shall be designed as an occupancy verification mechanism to provide the HOV discount, not as an enforcement mechanism (e.g., users as violators). The ODS shall be able to determine occupancy in front row seats, second row seats and possible third row seats. The ODS shall be

capable of detecting vehicle occupancy in both the first and the second express lane. The ODS implementation costs should be balanced against occupancy verification accuracy and ability to disregard animals and non-human surrogates.

The ODS shall accurately capture an accurate vehicle occupancy for at least 85% of all transactions without human validation.

7.2.8 Electrical Work

TSP shall be responsible for installation of all necessary wiring, cabling, transformers, and other equipment necessary for powering of TSP-provided equipment. The Demarcation Matrix provided in Section 19.3 shows the respective responsibilities of DB Contractor and TSP for electrical power during the D&D Phase.

TSP shall coordinate with the DB Contractor during the D&D Phase to ensure power supplied by DB Contractor is adequate for the TCS and performance of the D&D Work.

TSP shall provide all power connections to cabinets and devices required for the TCS and shall install all necessary conduits, wiring, cabling, and other equipment necessary for powering of TSP-provided equipment. TSP shall size and terminate all power connections from service panels or circuits to all TCS Equipment on the roadside.

The TSP shall provide two portable backup generators for the project. At VTMS and Read Points the electrical power and enclosure designs shall have provisions to connect portable generators to power the tolling equipment without the need for local wiring changes or revisions.

7.3 ETC Host

The ETC Host serves as the central compilation and processing point of the TCS, with interfaces to a variety of external systems.

7.3.1 ETC Host Processing

TSP shall supply an ETC Host that will support the I-15 ELs. Both the primary and backup ETC Host server configurations shall be sized to support future growth including additional ELs or other toll facilities that the TCS may support in the future. Future growth may include the addition of tolling points to the I-15 Express Lanes by RCTC or others or an additional toll facility of similar size. The ETC Host shall be able to analyze large numbers of Lane Transactions to construct Trip Transactions, to assess the toll rate, and to determine lane mode. The System shall be able to account for varying business rules at the Lane level and provide for transaction reporting by facility and toll point.

The ETC Host shall be operational 24 hours a day, seven (7) days a week; therefore, the design shall include all necessary redundant components to achieve the Requirements, facilitate maintenance and reduce the potential for single point failures and meet the KPIs.

The ETC Host shall generate and send alerts to MOMS as defined during the D&D Phase.

The ETC Host shall be able to appropriately assign transactions for transponder setting and pre-defined lists (e.g. motorcycles, Non-Revenue Account tags, ZEV tags, RFID tags for other

systems etc.). Motorcycle transactions may be excluded from the trip building process. Trips shall be built for Non-Revenue Account vehicles.

7.3.2 Database

All stored data at the ETC Host level shall meet the following minimum requirements without adverse TCS performance impact:

1) All data shall be stored electronically;

2) All Lane Transactions including exceptions shall be stored for four years and six months (4.5) years;

3) Trip Transactions and their corresponding CSC reconciliation data shall be stored for four and six months (4.5) years;

4) All data necessary to run monthly and annual financial reports shall be stored for four years and six months (4.5) years;

5) All data related to pricing, including toll rates, supporting traffic data, sign displays, historical toll rates, pricing algorithm versions, incident reports, and other Toll Services Data shall be stored for a minimum of four years and six months (4.5) years; and

6) All data needed to follow audit trails regarding adjustments, toll rate corrections, and toll rate overrides shall be stored for a minimum of four and six months (4.5) years. All other data types, including alarms, events, user rights tables, and CSC HOST file exchanges shall be stored for a length of time to be determined during the D&D phase.

The database design shall support the production of reports and meet functional and performance requirements. The database shall be updated in near real time; not to exceed one (1) hour delay.

7.3.2.1 Database Management System

TSP shall provide an enterprise Database Management System (DBMS) (supporting data management needs at the lane and ETC Host levels, as well as the recovery sites) that meets the following minimum requirements:

1) Software and Hardware must be consistent across all aspects of the TCS;

2) Store logging data separately from application data, and store configuration data separately from application data;

3) Define and describe all ETC data elements in a metadata dictionary;

4) Recover to the last committed transaction at all tiers of the TCS;

5) Be configured exclusively through the selection of parameter settings;

6) Have data encryption capability to the element level to be determined during the D&D Phase; and

7) Use Structured Query Language compliant with Open Database Connectivity capability.

The enterprise data residing at the ETC Host shall be the single, authoritative record of all project data. The DBMS shall provide robust audit tracking, and further, records/files must not be

overwritten without confirmation and posting to an audit log. Authorized RCTC staff shall have read only access to the project data at all times to allow independent review and reporting.

7.3.3 ETC Host Locations

7.3.3.1 Primary ETC Host

The primary ETC Host shall be located at the ROC. TSP shall furnish and install a complete ETC Host server configuration including storage, server racks, back-up library, communication/networking gear, conduits, and other Hardware as needed to support requirements.

7.3.3.2 Secondary ETC Host

The secondary ETC Host shall be located at least 60 miles from the ROC and the I-15 EL, subject to RCTC approval. The secondary CSC Host may be implemented using a virtual or cloud-based solution. TSP shall furnish and install a complete secondary ETC Host server configuration including communication to the secondary host, host location, electrical power, UPS, generator, storage, back-up library, communication/networking gear, and other Hardware as needed to support the requirements of the Contract and the KPIs. The secondary ETC Host server configuration shall have redundancy features and capabilities wherein the ETC Host can be brought on-line and back into operations to allow the TCS to meet KPIs. The secondary ETC Host data shall be synchronized with the primary ETC Host data in near real time. TSP's design shall ensure that no data created in the ELs is lost when the ETC Host is brought back to full operation.

7.3.4 Hardware and Equipment

The ETC Host configuration shall include all ancillary Equipment needed to provide a complete ETC Host that meets all Contract requirements.

The ETC Host, including all major Hardware elements, shall be the latest technology and shall incorporate standard commercial products currently in production. The TSP shall use server configurations that support future upgrades to processors, memory, storage, operating system, and database. ETC Host servers shall be assigned unique IP addresses that identify their locations.

All ETC Host system Hardware equipment performing similar functions shall be of the same manufacturer. Hardware shall be commercially available, off-the-shelf equipment.

The ETC Host shall ensure that all devices/servers in the TCS maintain time synchronization with each other. All other computers (lane, sign, TMS, etc.) shall be time synchronized either to the ETC Host server as a primary source or to a common time synchronization source.

The TCS shall not lose any data upon controlled system shutdown. In the event of an uncontrolled system shut down, the TCS shall lose no more than a single Lane Transaction or Trip Transaction.

7.3.5 ETC Host Operations Failure Modes

In all failure modes listed below, the ETC Host shall report through screens and alarms that it is operating in a failure mode and what the failure is. An indication of these failure modes shall appear on relevant financial and audit reports.

7.3.5.1 Loss of Communication with CSC Host

In the event of loss of communication with the CSC Host:

1) The ETC Host shall continue to use the last status sent by the CSC Host;

2) The ETC Host shall store all Transactions and resume sending Transactions when communications are restored;

3) The ETC Host shall have a mechanism by which files can be manually exchanged with the CSC Host to avoid delay in trip construction and processing; and

4) The ETC Host shall track which files were exchanged manually. When communications resume, it shall not send these files a second time or overwrite more current information sent by the CSC Host.

7.3.5.2 Loss of Communication with TMS

In the event that the ETC Host loses communication with a configurable number of traffic monitoring sites in a single Segment**,** the Dynamic Pricing shall continue calculating a toll rate for that Segment in failure mode.

In the event that the ETC Host loses communication with more than the configured number of traffic monitoring sites, the Dynamic Pricing shall use historical toll rates, variable pricing or other rate determined in design.

The historical toll rate table shall have toll rates for each Segment, day of the week, and time interval. The TCS shall also provide TSP with the ability to set the toll rates manually for a configurable amount of time as approved by RCTC.

7.3.5.3 Loss of Communication with a VTMS

In the event of a long term loss of communication between the ETC Host and a VTMS controller(s), the ETC Host shall assign the toll rate(s) to affected Trip Transactions, based on Business Rules.

In the event of a short term loss of communication between the ETC Host and a VTMS controller(s), the ETC Host shall stop processing Trip Transactions associated with that VTMS controller until communication resumes. When communications recover, the ETC Host shall use the toll rate(s) displayed on the VTMS as indicated by the VTMS controller to assign toll rate(s) to affected Trip Transactions, based on Business Rules.

7.3.5.4 Loss of Communications between Hosts

The TCS shall distinguish loss in communications between primary and secondary ETC Hosts. The TCS shall failover to the appropriate ETC Host with minimal manual intervention.

7.3.6 ETC Host Graphical User Interface

The GUI shall, at a minimum, include:

1) Support of two web browsers to be determined in design;

2) Screen displays which are all printable;

3) The capability of allowing multiple windows to be open simultaneously with current data contents;

4) Browser window size which can be controlled by user;

5) Browser window aspect ratio which can be controlled by user;

6) The ability to halt a query/report request at any time. A consistent look and feel across the entire TCS;

7) A one-step method for going back to the previous screen (i.e., a “back” button);

8) Access to view and print help screens throughout the TCS; and

9) The ability to define user restrictions, access rights and priorities.

GUI design details will be defined and finalized during the D&D Phase.

7.3.7 Toll Rates and Trip Building

The ETC Host shall support the Dynamic Pricing and Trip Building functionalities necessary to manage demand in the I-15 EL.

All toll rates shall be stored and readily available for both CSC operators and RCTC review, reporting, look up and analysis. The toll rate calculation shall be available (i.e. the build up by segment to total trip toll rate or any overrides).

7.3.7.1 General Toll Rate Calculation

The following toll rate parameters shall be user configurable by Segment:

1) Minimum toll rate;

2) Maximum toll rate;

3) Toll rate increase increment value;

4) Toll rate decrease increment value;

5) Discount for HOV 3+ and

6) Frequency of change.

Allowed toll rate values shall include $0.00. Minimum and maximum toll rates shall also be configurable by time of day and by Segment, allowing for different limits to be set for different Segments at various times of the day and time periods (e.g. 8AM to 10AM). If a toll rate is directly calculated by the ETC Host, the result will be rounded to the nearest whole or five (5) cent both for display to the public and for use consistently within the TCS. The rounding interval shall be a user configurable value within the TCS.

7.3.7.2 Dynamic Pricing

The TSC shall support Dynamic Pricing based on near-real time traffic data. Dynamic Pricing shall calculate pricing and display the resulting toll rates, without manual intervention, operation, or any activity other than monitoring.

Dynamic Pricing shall calculate a toll rate for a given Segment based on traffic volumes and speeds in the EL and GP lanes. EL and GP lane density and Level of Service (LOS) may be considered for inclusion in Dynamic Pricing calculations, determined in the D&D Phase and to be approved by RCTC. The ETC shall use EL traffic conditions and GP lane traffic conditions separately in calculating the price. Dynamic Pricing shall take into account conditions downstream and upstream of the Corridor, including SR-91 using data provided by RCTC. Dynamic Pricing shall establish a price for each segment based on the entire corridor including upstream and downstream conditions. Toll rates determined by the Dynamic Pricing algorithm shall be within the range specified in the Business Rules.

Near-real time traffic data for use by Dynamic Pricing will be accessed from the TSP provided TMS devices. Aggregation settings of traffic data used for Dynamic Pricing shall be Configurable Parameters.

Dynamic Pricing shall adjust pricing proactively, with the objective of preventing negative impacts to required levels of service. While it is understood that reactive adjustments to pricing will be required for recovery if levels of service cannot be maintained, that shall be the exception rather than the rule.

All of the ETC Host parameters used for controlling and executing Dynamic Pricing shall be user configurable and flexible, such that EL operators can make adjustments once the ELs are in operation.

Frequency of toll rate recalculations for all Segments within the I-15 EL and RCTC 91 EL shall be Configurable Parameters in the ETC Host and may occur as often as every five minutes. Timing of toll rate recalculations for all Segments shall be conducted at the same time. The recalculated toll rate shall be displayed in near real time on VTMS signs.

TCS shall continuously monitor the Dynamic Pricing Algorithm and lane performance providing recommended changes to Dynamic Pricing Algorithm to support optimal lane operations. The TCS shall automatically alert when toll rates exceed an agreed upon variance based on I-15 EL and RCTC 15 EL performance data such as speed or volume.

7.3.7.3 Variable Pricing

In addition to setting toll rates dynamically based on near-real time traffic data, the ETC Host shall support Variable Pricing. Variable Pricing uses predetermined toll rates for each Segment based on the time of day. Frequency of toll rate changes for Variable Pricing will be user configurable. Variable Pricing may be used at RCTC's discretion as an alternative or fallback means of pricing (e.g., in the event that Dynamic Pricing is not impacting traffic as desired or as a first step in pricing for a new EL facility).

The TCS shall have full capability to use either Dynamic Pricing or Variable Pricing methods on any EL Corridor or Segment at any time.

7.3.7.4 Historical Toll Rates

The ETC Host shall default to and display historical toll rates as needed. For example, this may be leveraged in cases where Dynamic Pricing is unable to recalculate toll rates due to traffic data

sources being unavailable or other TCS failures. The historical toll rates shall be defined during the D&D Phase.

The ETC Host shall capture, store, and maintain a history of all assigned toll rates and calculated dynamic toll rates by Segment. This data shall be used to establish historical toll rates, and shall be made fully accessible to users with appropriate levels of security for use in operations, monitoring, and financial reconciliation and audit. Calculation of historical toll rates shall be user configurable based on toll rate setting method, time of day, day of the week, and what time span is included in the history.

7.3.7.5 Toll Rate Publishing

Depending on the location of the VTMS, the VTMS may either display one or two toll rates. If the VTMS is not for the last Segment, the ETC Host will publish two toll rates to the VTMS. One displayed toll rate will be the toll rate for intermediary Segment and the second displayed toll rate shall be the cumulative toll rates to the end of the I-15 EL. All toll rates shall change at the same time.

The TCS shall allow authorized users to manually publish messages to the VTMS general message line. The user shall be able to publish directly to all I-15 EL VTMS, Segment, or a single VTMS in both or a single direction. The VTMS shall allow general message line messages to be scheduled or selected from a predefined list in real time.

7.3.7.6 Toll Rate Overrides

The ETC Host shall provide user screens which allow for manual override of the displayed toll rates by a user with the appropriate level of access. The ETC Host shall allow manual overrides to be applied to a Corridor, or Segment, in both or a single direction. The TSP shall provide the ability for remote overrides.

The manual override start and end time can be at any time and for any duration. The user shall have the ability to enter a comment with the toll rate override. The ETC Host shall retain both the original toll and the corrected toll in the database and shall indicate the user who made the correction. The ETC Host shall allow users to choose messages other than toll rates for display on VTMS. Such messages might be “OPEN TO ALL”, etc.

Based on the time duration invocation of a toll rate manual override, the ETC Host shall modify all Trip Transactions for the affected duration. The TCS shall apply manual toll rate overrides to all relevant Trip Transactions. The TCS shall designate impacted Trip Transactions as overrides.

If the original Trip Transactions have already been sent to the CSC Host, the ETC Host shall generate a correction file and send the Trip Transactions with corrected toll(s) to the CSC Host. If the Trip Transactions have not already been sent, the ETC Host shall send only the Trip Transactions with the new overridden toll rates to the CSC Host.

7.3.7.7 Trip Building and Toll Rate Assignment

The Host shall process Lane Transactions received from EL Read Points. Lane Transactions shall first be assembled into a Trip, from which the Trip Transaction shall be built. The ETC Host shall assign the proper toll for each Trip Transaction. Account based discounts may be applied at the

CSC Host. TSP shall be responsible for designing the logic necessary to process Trip Transactions at the ETC Host according to Business Rules. Trip Building rules will be developed by agreement between RCTC and TSP during the D&D Phase.

At a high level, Lane Transactions received at the ETC Host shall be associated to the same Trip Transaction if the Lane Transactions meet all of the following criteria:

1) Lane Transactions are within the allowable travel time between Lane Transactions ('allowable' to be defined as part of D&D Phase);

2) Transponder number, vehicle image (such as vehicle "fingerprinting"), and/or license plate number identification are sufficient for association; and

3) Lane Transactions present a geographically possible sequence of Read Points (for example, northbound progression).

7.3.7.8 Express Lane Trip Building

7.3.7.8.1 General

The TCS shall have a Trip Building process that forms a Trip Transaction from Lane Transactions for a given vehicle making a trip through the I-15 EL. Trip Building shall logically group Lane Transactions transmitted from EL Read Points using the vehicle identifiers (Transponder number, and/or license plate number) for a specific Corridor in a single direction. Images shall be held until all Trips are formed and all Lane Transactions are accounted for.

The TCS shall use a Trip Building process that includes "finger printing" (e.g. a third mechanism for matching Lane Transactions to Trip Transactions). The goal of finger printing is to reduce the need for human image review and avoid creating multiple trips for a single vehicle.

Trip Building shall check the time/date of Lane Transactions for Trip Building inclusion based on a configurable time range. The number of Lane Transactions generated by a single vehicle passage through the I-15 EL shall depend on a number of factors, including entry and exit location; ability to accurately identify the vehicle by transponder number, and/or license plate number at each Read Point; date/time sequence; and other inference logic that may be necessary to build an accurate Trip Transaction. Lane Transactions may cross multiple Segments and shall "lock-in" the toll rate to be charged. The "lock-in" price is based on the displayed price at the point of entry to the ELs.

The TCS shall ensure Lane Transactions are formed into a single Trip Transaction, regardless of the Transaction types. Each transaction shall include the images associated with the transponder transaction though until all orphaned transactions are accounted for.

7.3.7.8.2 TCS Requirements

The Trip Building process will be defined during the design review process based on defined Business Rules.

All Lane Transactions within a single Trip Transaction shall involve the vehicle travelling in the same direction, such that Lane Transactions are sequential based on date, time, geographic location, and travel direction of the Read Points. The ETC Host shall ensure that a single Lane Transaction shall never be used in more than one Trip Transaction.

The Trip Building engine shall have processing rules for uncommon scenarios including, but not limited to:

1) Incorrect association of a Transponder to a vehicle (Transponder incorrectly associated to a license plate);

2) Extra Transponder reads not associated with a vehicle; and

3) Multiple Transponders in a vehicle.

7.3.7.8.3 Processing Rules

Trip Building shall have processing rules in order to form Trip Transactions from Lane Transactions that take at minimum the following items into consideration:

1) Where multiple license plates can be matched to a single transponder ID;

2) Where multiple transponder IDs can be matched to a single license plate;

3) VES error or VES with low confidence; and

4) Multiple license plates on a vehicle (e.g. tow truck with another vehicle on a flatbed).

For Lane Transactions and Trip Transactions that have neither Transponder nor license plate number identifications, the Trip Building Process will save the records in accordance with RCTC policy. The ETC Host shall designate Lane Transactions and Trip Transactions that have exceptions or anomalies associated with them in a manner that allows a user to separate those into different types of exceptions or anomalies, as defined during the design process and as approved by RCTC. The ETC Host shall designate any Lane Transaction that it cannot or does not associate with a Trip Transaction as an exception.

The ETC Host shall categorize Trip Transactions into tagged Trip Transactions, those associated with a valid transponder number, and IBT, those with no transponder number or an invalid transponder number. Business Rules and methodology for categorization shall be finalized during the D&D Phase.

Each Trip Transaction shall be given an assignment of single occupancy vehicle (SOV) or HOV, ZEV, Non-Revenue Account according to Business Rules to be finalized during Final Design Review.

ETC System shall account for every transaction and provide reconciliation of transactions that are not formed into a Trip Transaction and include reason codes for exclusion.

7.3.7.9 Toll Rate Assignment

When a vehicle first enters a Segment, the ETC Host shall “lock-in” the toll rate(s) displayed on the VTMS in accordance with the Business Rules. The locked-in toll rates shall not change if the price goes up or down while the customer is still in the ELs.

When toll rate changes are published to a VTMS, the ETC Host shall have a Configurable and automated calculated grace period per VTMS/Read Point location to ensure that customers are not charged a higher toll rate than was observed on the VTMS. When the toll rate increases, the ETC Host will “lock-in” the lower toll rate(s) for a Configurable duration past the time the higher

toll rate is published to the VTMS. When the toll rate decreases, the ETC Host will “lock-in” the lower toll rate(s) immediately.

In the event a loss of communications between the ETC Host and the VTMS causes the VTMS to display a historical toll rate, Trip Transactions originating in that Segment shall be charged the lower of the historical toll rate displayed on the VTMS or the real time toll rate.

In the event of manual overrides, toll rate assignments shall be based on Business Rules. Manual overrides can come after trip formation based on incidents or other needed adjustments.

The ETC Host shall apply the SOV toll rate to Trip Transactions with a SOV occupancy assignment for the Corridor. The ETC Host shall have the ability to assign separately configurable toll rate percentage discounts (ranging from 0% to 100%) for HOV 3+ Trip Transactions or a flat rate discount. Trip Transactions with HOV 3+ occupancy assignments shall be assigned a toll equal to the SOV toll, reduced by the corresponding discount amount. The ETC Host shall apply the HOV 3+ toll rate discount to all HOV 3+ Trip Transactions.

The rates shall include rates for specialty tags including but not limited to motorcycle, ZEV, disabled veterans and Non-Revenue Account per the Business Rules.

At least one toll shall be applied to every Trip Transaction before it is sent to the CSC Host for processing. The ETC Host shall consider any toll rate adjustment based on any qualifying conditions known at the time the Trip Transaction is built (e.g., incidents in or impacting the ELs).

7.3.7.10 Discounts

TSP shall provide a system that allows discounts as a Configurable Parameter at the Account, license plate, and Transponder levels as set forth in the Business Rules. Discounts apply to toll rates, Account fees, and other products offered by the ELs.

7.3.8 Trip Transaction Toll Rate Corrections

The ETC Host shall provide user interface screens that allow an authorized user to amend toll rates retroactively. The TCS shall have the following functionality:

1) Allow users to view the toll from the CSC associated with trip transactions;

2) Allow the user to select one or more Segments and a time range. The ETC Host shall list the Trip Transactions that contain Lane Transactions indicated by the selection criteria and display the total count and revenue;

3) Allow the user to select all Trip Transactions or a subset of the Trip Transactions;

4) Allow the user to amend the toll rate on the selected Trip Transactions;

5) The screen shall show the Trip Transaction list, each with the original and corrected toll rates for the selected Segments, and display the count and original and corrected revenue amounts;

6) The user shall have the opportunity to enter a comment with the toll rate correction;

7) The ETC Host shall retain both the original toll rate and the new toll rate in the database;

8) The ETC Host shall have the ability to assign a configurable toll rate (i.e., $0) to Segments in which vehicles are not able to travel at a speed over a configurable threshold. The ETC Host shall provide a user interface for setting these configurations and for turning on and off this function; and

9) If the original Trip Transaction has already been sent to the CSC Host, the ETC Host will generate a correction file and send the Trip Transaction with corrected toll rates to the CSC Host. If the original Trip Transaction has not been sent, then only the corrected Trip Transaction shall be sent.

7.3.9 Real Time Monitoring

7.3.9.1 Real Time Monitoring Functionality

The ETC Host shall provide a color-coded interactive map of the EL including the equipment in the TMS included in Section 9. The map shall include the location and health status of the following equipment indicated by the colors and symbols displayed:

1) Read Points, Lane Controllers and subsystems;

2) Communication System;

3) VTMS; and

4) TMS

The ETC Host shall provide a real time display of processing status and counts of Lane Transactions at all Read Points. The ETC Host shall provide a map and Graphical User Interface to display real time traffic conditions.

For each TMS location and Segment, the screens shall display real time averaged speed, volume, density, and LOS for a user configurable time duration and for each EL and GP lane. Travel time and speed shall be displayed for Segments and the I-15 EL and GP lanes. Calculation method for determining travel time shall be approved by RCTC during the D&D Phase.

The ETC Host shall make user configurable the ability to enable or disable the display of each type of traffic information. The representation of traffic conditions in the EL and GP lanes shall use TMS data.

For each VTMS location, the screens shall display the toll rates posted. The ETC Host shall have a method of showing the history of the traffic data and toll rates for each Segment.

The CCTV interface shall at minimum:

1) Allow viewing of multiple CCTV cameras simultaneously;

2) Provide capabilities to control the pan/tilt/zoom (PTZ) functionalities of the cameras; and

3) Provide capabilities to record and play back video feeds.

The ETC Host shall provide screens which allow authorized users to report incidents on roads which affect the EL network.

The TSP shall provide web enabled access for remote monitoring and control for up to six (6) RCTC users.

7.3.10 Audit Functionality

7.3.10.1 General Financial Functionality

At a minimum, the ETC shall:

1) Maintain complete accountability for all Transactions;
2) Ensure continuous operation and safeguard the integrity of all data collected by the system to support 24 hours a day, 7 days a week operations;
3) Provide accurate and complete data that is reported in a timely and consistent manner;
4) Provide controls to ensure integrity of data transmission between lane, ETC Host, and CSC Host;
5) Maintain a complete "audit trail" (a record showing the source of the data and the identity of any person who makes changes or adjustments to that data and the time/date of the change) for all Transactions;
6) Report on and reconcile all Lane Transactions with Trip Transactions thru to Account posting;
7) Account for all Lane Transactions not associated with a Trip Transaction and Trip Transactions not posted to an Account with reason codes;
8) Generate accounting reports with consistent results for the accounting period regardless of when the reports are run;
9) Provide reconciliation and variance detail information on each Trip Transaction sent to the CSC Host;
10) Provide the ability to perform adjustments and reversals; and
11) Report on transponder and image transactions by read point.

7.3.10.2 Reconciliation and Variance Analysis

The ETC System shall be transparent and provide the ability to track and reconcile all Lane Transactions and Trip Transactions on a daily, weekly and monthly basis and identify variances that occur as follows:

1) Lane Transactions to Trip Transactions – Variance reports and screens shall include drill down capability to identify specific Lane Transactions by Toll Point, Segment, Corridor, and date / time range;
2) Files sent to the CSC Host and the response file received back from the CSC Host – Variance reports and screens shall include drill down capability to Trip Transaction by file;
3) Separately for Transponder Trip Transactions and IBTs, reconcile Trip Transactions sent to the CSC Host – include drill down capability by Corridor and date / time range; and
4) Separately for Transponder Trip transactions and IBTs, reconcile Trip Transactions sent to the CSC Host to Trip Transactions posted and sent back by the CSC Host – Variance reports and screens shall include drill down capability to Trip Transaction by file, Corridor

or date to locate unposted and rejected Trip Transactions. The TCS shall report CSC Host reason codes for all Trip Transactions including unposted and rejected Trip Transactions.

The screens shall quickly identify Transactions creating such variances by unique identifier, date, time, Segment (where applicable), and Corridor. The reconciliation and variance analysis process shall not require users to download and compare separate reports to discover variances or complete the reconciliation process.

7.3.10.3 Audit Functions

The audit application shall, at a minimum, include the following functions:

1) Reporting Lane or Trip Transactions created under equipment malfunctions, adjusted in any way, or other exceptions and anomalies;
2) Allowing auditors to determine whether the ETC system applied the correct toll to a Trip Transaction;
3) Providing screens that show historical traffic and revenue trends; and
4) Providing audit screens that allow auditors to identify and research variances including:
    a. Traffic or revenue variances;
    b. Expected electronic toll revenues versus CSC Host actual tolls posted at summary and detail level (IBTs recorded versus the number received by the CSC Host at the summary and detail level);
    c. System sent images for every IBT;
    d. Gaps in the consecutive Lane Transaction identifier or duplicate identifiers;
    e. All exceptions and anomalies;
    f. Ability to drill down from the variances identified in the reports to the supporting detail transaction data;
    g. Ability to trace a transaction from Lane to Account posting, Violation processing or unbillable; and
    h. Access to auditor comments, incident reports, system alarms and other information that would identify the source of variances.

7.3.11 Customer Escalation and Transaction Research

The ETC Host shall provide screens that facilitate research on data available in the database from the CSC Host. The ETC Host shall limit the number of results returned so as not to inhibit the smooth functioning of the TCS. The ETC Host shall provide the ability to do research in areas including:

1) Lane Transactions;
2) Incidents;
3) Toll Rates;

4) Alarms;

5) User rights; and

6) Exceptions.

Screens shall allow authorized users to query the database using single or multiple parameters on any relevant field. For example, for a Trip Transaction query, fields shall include transponder number, license plate number, Read Points, Segments, Trip or associated Lane Transaction date and time (range), Trip or Lane Transaction number, image number, overall OCR value, method of payment, CSC Host reason code, toll rate, and posting date.

Screens shall allow authorized users to query the database using single or multiple parameters on any relevant field. For example, for a Trip Transaction query, fields shall include Transponder number, license plate number, Read Points, Segments, Trip or associated Lane Transaction date and time (range), Trip or Lane Transaction number, image number, overall OCR value, method of payment, CSC Host reason code, and posting date.

The initial return screen shall display a list detailing the subject of the query including high level information such as time, identification number, type, etc. Details about the content of the summary information will be determined during the D&D Phase.

The user shall be able to select any single Transaction from the returned list and view the detailed information, including the display of associated VES images. For Trip Transactions, the user shall have the option of drilling down to a list of the associated Lane Transactions. When a user selects one of these Lane Transactions, the system shall display the same detail as if the user had selected Lane Transactions directly, including associated VES images.

7.3.12 Enforcement Lookups

7.3.12.1 General Enforcement Web Portal

The ETC Host shall provide a password protected enforcement web portal access for CHP officers and dispatchers to retrieve data that allows confirmation of declared occupancy and Account status after pulling a vehicle over.

Authorized users shall be able to log into the web portal using desktop computers, mobile computers in patrol vehicles, as well as with personal mobile phones. Each user shall have unique login credentials, and the duration of each active login session shall be stored and accessible for reporting.

The web portal's user interface shall be intuitive and require a minimal amount of training in its use. The user interface and screen flows shall be designed in collaboration with RCTC and CHP. The final design for the user interface shall require RCTC's written approval. The user shall have the option to trigger an email notification with the query results, including the lookup date/time stamp, transponder ID, license plate number, transponder switch status at the Read Points, transaction time at the Read Points, Read Point location IDs, and web portal user ID.

The format of this communication must meet CHP data and security requirements for issuance of an occupancy violation citation.

The enforcement web portal shall issue notifications with the appropriate error messages when:

1) The portal is unavailable for scheduled maintenance and when it will be back up again;
2) The portal is unavailable due to communication issues with the ETC Host;
3) Invalid data (e.g. Account number, license plate, and date) has been entered;
4) A search result returns no matches;
5) A user is automatically logged out of the system. The web portal shall have a configurable inactivity timeout if no activity has occurred; and

Information shall be transferred via a secured connection and documented in an ICD.

7.3.12.2 Occupancy Enforcement

The enforcement web portal shall also allow users to query the ETC Host in real time for Transponder status data by searching a transponder ID.

The ETC Host shall maintain a record for each query into the web portal, with the lookup date/time stamp, transponder ID, license plate number, transponder switch status at three most recent Read Points, transaction time of a configurable number of the most recent Read Points, a configurable number of recent Read Point location IDs, and web portal user ID.

Each real time transponder query will pull the transponder switch status from the ETC Host for a configurable number of most recent Read Points at which the Transponder was detected.

7.3.12.3 License Plate Number Lookup

The enforcement web portal shall also allow users to query the ETC Host in real time for transponder status data by searching on the vehicle license plate number and state rather than the transponder ID.

The web portal shall return the same Lane Transaction data for a configurable number of the most recent Read Points at which the license plate was recognized (lookup date/time stamp, transponder ID, license plate number, transponder switch status at the Read Points, Lane Transaction time at the Read Points, Read Point location IDs, and web portal user ID).

7.3.12.4 Historical Lane Transaction Lookup

The TCS shall support retrieval of transponder status data for past Lane Transactions from the ETC Host using either tag ID or a vehicle license plate number.

7.4 Internal Data Flows

The TCS shall support near real time lane operations and ETC Host processing, including the transmission of various data and image files between the various System components.

7.4.1 General Requirements

Any interruption of designed dataflow shall result in no loss of project data, including:

1) Lane Transactions;

2) VTMS data;

3) TMS data; and

4) Data between the primary and secondary ETC Host.

7.4.2 Lane Controllers

Each Lane Controller located roadside at a Read Point location shall connect to the ETC Host via the Network.

7.4.2.1 ETC Host to Lane Controllers

Data transmitted from the ETC Host to the Lane Controllers shall include:

1) The Lane Controllers shall receive files and tables from the ETC Host. Receipt of all files and data shall be acknowledged by the Lane Controller, and any failures in the transmission shall be reported to the MOMS. Retransmission protocols shall be based on the Business Rules;

2) The Lane Controller shall be capable of receiving and using a TSF from the ETC Host; and

3) The Lane Controller shall be capable of accepting and shall accept comprehensive (complete list once a day) and incremental (changes updated on a configurable interval, but not less than on an hourly basis) TSFs.

The Lane Controller shall activate the TSF upon receipt and after validation of the file, and all configuration and Software files needed to support operations.

7.4.2.2 Lane Controller to ETC Host

Data transmitted from the Lane Controllers to the ETC Host shall include:

1) All Lane Transactions, images, alert messages, and operational messages generated by the Lane Controller shall be transmitted to the ETC Host in near real time, and the delivery to the ETC Host shall be verified;

2) In the event of communication failures, the information shall be stored at the roadside until successful transmission is complete and verified;

3) Lane Controller and peripherals health and status messages, for use in System monitoring shall be transmitted via MOMS; and

4) All information shall be confirmed as received by the ETC Host before it is eligible for deletion at the Lane Controller level.

7.4.3 VTMS Sign Controllers

Each VTMS Sign Controller located roadside at a VTMS location shall connect directly to the ETC Host via the Network.

7.4.3.1 ETC Host to VTMS Sign Controller

Data transmitted from the ETC Host to the VTMS Sign Controller shall include:

1) Toll rate(s) and other messages to be displayed on the associated VTMS, including both the individual Segment toll rate and the full Segment toll rate, if applicable;

2) The VTMS shall receive historical toll rates once a day to be determined during D&D to support stand-alone mode toll rate publishing; and

3) All firmware, configuration, diagnostic and Software files needed to support operations.

7.4.3.2 VTMS Sign Controller to ETC Host

Data transmitted from the VTMS Sign Controllers to the ETC Host shall include:

1) Acknowledgment to the ETC Host that the toll rate(s) were displayed on the associated VTMS at specific date and time;

2) Acknowledgement to the ETC Host of the VTMS receiving the historical toll rate information; and

3) VTMS and peripherals health and status messages, for use in TCS monitoring via MOMS.

7.4.4 Traffic Management System

Each TMS device located roadside shall connect directly to the ETC Host via the Communication Network.

7.4.4.1 ETC Host to TMS

Data transmitted from the ETC Host to the TMS shall include:

1) All firmware, configuration, diagnostic and Software files needed to support operations, and

2) Necessary commands to tune TMS sensors.

7.4.4.2 TMS to ETC Host

Data transmitted from the TMS to the ETC Host shall include:

1) Traffic data captured by time intervals, event, and sensor, and

2) TMS device health and status, for use in system monitoring via MOMS.

7.5 Violation Enforcement System

7.5.1 General VES Requirements

TSP shall incorporate a Violation Enforcement System (VES) in the TCS to automatically and accurately derive the license plate number and state of all vehicles with at least two human readable images.

A human readable image is defined as follows:

1) The plate is not obstructed (all numbers and letters on the plate are completely visible), and

2) A license plate is mounted to the rear of the vehicle.

The TCS shall record the license plate number, state (or country) and confidence level for each human readable image at either the lane-level or at the ETC Host depending on the VES system. The VES output shall be used for the ETC Host Trip Building process. For IBTs, the TCS shall send a single VES derived license plate number and state to the CSC Host.

The VES shall integrate with a Vehicle Data Tag (VDT), aka “vehicle fingerprinting”, system to enhance Trip Building.

The VES shall capture one human readable image of the rear license plate for 99 percent of all detected vehicles travelling between 5mph and 100 mph, including vehicles in the shoulder and straddling the lane.

7.5.2 Confidence Values

A confidence value measuring the accuracy of the VES output shall be provided for each image. The methodology for assigning confidence values will be determined during the D&D Phase. A higher confidence value assigned to a VES image shall indicate higher likelihood of predictive accuracy and a lower error rate in VES output.

85 percent of Trips shall include an OCR result with a confidence rating of 90 percent or higher.

99 percent of Trips with an OCR confidence rating of 90 or higher shall include the correct plate result, including plate characters type and jurisdiction.

7.5.3 Input Parameters

The VES system shall accommodate and integrate user parameters, such as use of a confidence threshold to determine which outputs are automatically sent to the CSC Host and which outputs require manual review. The confidence threshold shall be a Configurable Parameter and shall be based on input from RCTC. The confidence threshold and other parameters shall be determined during design. The parameters shall be used to modify and optimize the VES system behavior.

7.6 Lane Modes

7.6.1 Lane Operational Requirements

The TCS shall be able to operate in different Lane Modes, to be determined by RCTC during the D&D Phase and in the Business Rules to account for operational situations including, but not limited to:

1) Maintenance being done on various part of the TCS;
2) Normal tolling hours;
3) HOV only operations;
4) Special events or incidents;
5) An assignment of a Lane Mode to one or more Segments, or Read Points;
6) Allowable times and dates that each Lane Mode can be assigned within;
7) A toll rate setting method associated with each Lane Mode as being Dynamic Pricing, Variable Toll Rate, historical, or no pricing (not tolling);
8) Allow each Lane Mode to be automatically entered by system (for example, when the maximum toll rate is reached within a Segment) or manually entered by user intervention;
9) Enable the VTMS to display current toll rates and/or input custom messages under each Lane Mode;
10) Support activating occupancy enforcement beacons on or off;
11) Support activating VES cameras on or off;
12) Allow the collection of AVI reads or not;
13) Allow the collection of TMS data or not;
14) Allow for Lane Transactions to be created during the Lane Mode or not;
15) Allow for Trip Building from Lane Transactions created during the Lane Mode or not;
16) Allow for a configurable minimum duration for any Lane Mode; and
17) Allow for a configurable discount for HOV 3+.

7.7 Digital Video Auditing System

In order to support auditing and to troubleshoot and diagnose performance issues and other systemic problems in the TCS, the TSP shall provide a DVAS with video and data audit capability to be used to conduct an independent audit.

The TSP shall provide a DVAS system integrated into the ETC Host that shall be used to audit the system, diagnose system problems and report on DVAS transaction count vs. Lane Controller Transaction count and identify any variances.

The DVAS shall provide the capability to monitor an overall video of the tolling location and display detailed events as they occur in real time, including Lane Controller transaction data.

The TSP shall ensure that the DVAS can be installed without any Hardware or Software changes to the operational system. The DVAS shall have the capability to display video and data in real time and also record up to 48 hours of video and data to an electronic media for future review.

The DVAS shall include:

1) Digital Cameras;
2) Data Recorder; and
3) Digital Video Recorder and Player.

8 CUSTOMER SERVICE CENTER

8.1 General Description

TSP shall provide and maintain the staff, FF&E, Software, Hardware, systems, supplies, and services to design, build, operate, and maintain a CSC for Agencies and perform the O&M Work in accordance with the Contract for the duration of the O&M Term. TSP shall also provide the CSC Commencement Period Toll Services during the CSC Commencement Period in accordance with the Contract.

TSP shall support all of the Transaction processing, data management, Account management, customer service, and Violation processing activities associated with TCS.

TSP shall furnish the appropriate Hardware and Software to meet the requirements of the Contract and KPIs. TSP shall, where applicable, engineer, customize, furnish, install, integrate, deploy, and test all of the equipment and Software that is required to provide the operations and functionality described in these TPs. TSP shall be responsible for any Software customization, design engineering, Hardware and equipment installation, integration and configuration, testing, operations, database management, system administration, and maintenance of the CSC to provide a fully functional and operational CSC that meets, or exceeds, the requirements that are presented herein.

TSP shall provide Software to monitor and report on the operations of the CSC Call Center, accuracy of the IVR Call Center statistics, training of CSR staff, and performance audits on an approved schedule using randomly recorded calls in addition to complying with other requirements of the Contract.

The CSC shall meet the following top-level requirements through automation unless otherwise noted or demonstrated to be more efficient manually:

1) Provide a multifaceted operation with multiple means of customer access with person-to-person interaction to be provided at the Walk-In Centers, a call center through an IVR option, and web inquiry through the responsive web design;
2) Create an environment and processes that encourage customer use of the IVR and web, to open accounts, and to opt for electronic communications;
3) Provide efficient and accurate processing of all Transactions and customer requests.
4) Provide high system accuracy, reliability, availability, and maintainability;
5) Provide data security, integrity, and accountability;
6) Track and report on all CSC operations activities;
7) Support full and complete disposition and reconciliation of all Transaction, Trips, and revenues from lane data to general ledger;
8) Comply with all CTOC rules and regulations to foster reciprocity of transponder and Transaction data;
9) Provide high quality customer service on the phone, through the Customer Website, at the Walk-In Center, and through website inquiries; and

10) Provide a set of financial statements which shall be fully auditable by both Agency's outside auditors. Financial statements shall comply with the applicable Agency's requested formats as determined in the D&D Phase.

TSP shall work with Agencies' staff and consultants to provide all requirements and deliverables defined in these TPs, and to facilitate life cycle improvements for efficiency and improved customer service. At all times during the Term, TSP shall utilize and comply with the most recent CTOC Technical Specifications in support of full interoperability with other CTOC member agencies, all ICDs, security policies as described in these TPs. Material changes to CTOC Technical Specifications or Governmental Rules may be a Change subject to Contract Section 20.

8.2 General Technical CSC Requirements

8.2.1 General Requirements

TSP shall provide staff, Software, Hardware, FF&E, supplies and materials, and any other equipment with the functionality needed to support the CSC administrative tasks as well as operational tasks at the ROC and Anaheim TOC. TSP shall provide all Software, Hardware and any other equipment with the functionality needed to support the CSC administrative and operational tasks at the OCTA WIC. The CSC Software will be used by system administrators, supervisors, managers, and CSRs authorized to perform various CSC tasks.

The CSC shall house the computer Equipment required to provide all of the CSC functions described in the following sections.

8.2.1.1 Obligation to Customers and Agencies

TSP shall cooperate with Agencies in matters relating to TCS and the CSC shall perform the tasks necessary to meet explicit requirements and shall respond to Agency, Department, and customer inquiries and requests. These matters are considered to be part of TSP's normal obligations. These obligations include, at a minimum, the following:

1) TSP shall devote scheduled and unscheduled time and effort working with Agencies, their partners, and their auditors throughout the Term to review reports, analyze data, resolve issues, facilitate understanding of programs, policies and procedures, respond to inquiries from customers or the public, deal with unique situations, ensure the accountability and financial integrity of the TCS, and report to Agencies on any such matters;

2) TSP shall cooperate with reciprocal toll agencies and their representatives to discuss or identify problems and/or inefficiencies and to take action to resolve these issues. Many issues related to reciprocity are the subjects of CTOC meetings. If requested by Agencies, TSP shall provide a qualified representative(s) to participate in CTOC meetings and to supply or review information related to meeting topics if necessary;

3) TSP shall attend meetings and provide supporting materials upon request. This may include investor reporting, Agency board meetings, public hearings or meetings related to the Work; the required supporting materials shall be determined in design and shall be subject to the applicable Agency's approval.

4) TSP shall provide courteous, timely, and informed service to customers. This service may involve resolving issues with reciprocal agencies and may require a CSR to identify the various California agencies to the customer, explain reciprocity, and direct questions to the proper resource. CSRs shall attend an initial in-house training course and subsequent refresher seminars, conducted by TSP, to ensure that information given to customers is relevant and accurate;

5) TSP shall have the fiduciary duty to track, report, and transfer all revenue due to Agencies or other toll agencies or persons. TSP shall promptly report to the applicable Agency any known or suspected instance of fraud, theft, illegal activity, or significant errors occurring at the CSC or associated with the operations of the CSC and its employees; and

6) TSP shall handle PII in accordance with the both Agencies' privacy policies, industry best practices, Contract terms and conditions and all state and federal laws.

8.2.1.2 Agency Access to the CSC System

Agencies shall be provided with remote, read-only access to the live CSC system and all Account, Transaction, Violation, and CTOC data. Agencies shall be provided with remote access to both live and recorded phone calls for the purpose of performing call monitoring. This access shall be provided to up to 10 users and shall be in addition to the number of CSC users required for TSP staff. Agencies shall provide workstations for remote access. TSP shall store recorded phone calls for a minimum of 120 days. TSP shall provide any necessary Software, installation procedure, and assistance as required. Agencies shall be granted unrestricted access to the ROC facilities. Agencies shall have the right to inspect the facilities of the TSP at the ROC at any time and shall have full access to the ROC for any purpose including internal audit and general observation or monitoring.

8.2.2 Facility

8.2.2.1 General Facility Requirements

The CSC will be located at the ROC along with the 15 EL TOC. TSP responsibilities and requirements associated with the ROC are described in Section 10.

The Walk-in Center shall be located at the ROC and display both Agencies' approved customer materials. The Walk-In Center shall have at least one self-service kiosk where the customer can perform all tasks that are available on the Customer Website. The Walk-In Center shall have at least one projection screen or television monitor where instructional and informational videos can be viewed by customers. Content for screen or monitor shall be provided by Agencies.

TSP shall perform all CSC Work at the ROC. If TSP proposes to perform CSC Work outside of the ROC facility, TSP shall explicitly identify the scope and services, and receive written approval from both Agencies. Agencies shall have the right to review agreements establishing services performed offsite, to make site visits, and to deny the use of such off-site services at its sole discretion. RCTC shall be entitled to rescind previously granted decisions regarding off-site services with 60 days' notice to TSP at any time during the Contract.

8.2.2.2 Hours of Operation

The Walk-In Center and Call Center shall be open to customers from 8:00 AM to 6:00 PM, Monday through Friday.

The CSC shall have necessary staff available to support the Walk-In Centers and Call Center during hours of operation. The TSP may observe the following holidays only, provided advanced notification is given to customers:

1) New Year's Day;
2) Martin Luther King Day;
3) President's Day;
4) Memorial Day;
5) Independence Day;
6) Labor Day;
7) Veteran's Day;
8) Thanksgiving Day;
9) Day after Thanksgiving; and
10) Christmas Day.

OCTA will provide staff for the OCTA WIC which may have a different holiday schedule. TSP shall be available to support the OCTA WIC staff during holidays observed by the CSC and WIC as needed. OCTA WIC hours are Monday through Friday 8:00am to 5:00pm.

8.2.2.3 Phone and Data

TSP shall establish the toll-free customer phone line(s), using the number reserved by Agencies, and any local dedicated CSC customer phone lines required for operation. The Agencies will determine how the existing 91 Express Lanes and Riverside Express Lanes phone numbers and fax lines are treated in the combined CSC. The TSP shall manage the connection of these numbers. Agencies will pay the monthly phone usage bill associated with the toll-free number and other customer dedicated phone lines.

The TSP shall be responsible for the cost of additional phone lines necessary for administration and operation of the CSC and TOC.

RCTC shall be responsible for the data communication lines between the 15 and RCTC 91 ELs and the ROC and OCTA shall be responsible for the data communication lines between the OCTA 91 Express Lanes and the Anaheim Facility.

The TSP shall be responsible for the acquisition and cost for all other data communication lines necessary for the operation of the CSC and TOC.

8.2.3 Staffing

TSP shall be responsible for all staffing requirements necessary to support the full operation of the CSC as described in these TPs. Staffing levels shall be adequate to perform all elements of these TPs within the specified time requirements as outlined in the Business Rules and, KPIs. TSP shall monitor and provide staffing based on actual volumes and service level requirements as specified in the KPIs.

A monthly staffing update shall be provided to Agencies and address turnover, hiring, scheduling, training, and coverage for vacations and spikes in Work. The monthly staffing update shall provide forecasted inbound volumes in each staffed area. The monthly staffing update shall identify all required positions, both temporary and permanent.

TSP shall utilize incentive, rewards, and/or disincentive programs to promote excellent customer service. All such programs are subject to Agencies' review and approval.

All staff members must understand, speak and write the English language and be legally eligible to work in the United States of America. Other supported languages are discussed in Section 8.6.1 for CSRs and supplemental services. TSP shall periodically submit a listing of all staffing personnel to Agencies. TSP shall be responsible for all wages, benefits, and payroll expenses associated with staffing. Agencies reserve the right to direct TSP to remove any employee whose qualifications or conduct, in Agencies' sole opinions, is not appropriate or commensurate with their position.

8.2.4 CSC Training

TSP shall be responsible for providing the internal training of its staff and OCTA WIC staff for the efficient, accurate and customer centric operation of the CSC.

Training for the CSC staff shall be completed before transition according to the Agencies' approved transition plan.

Ongoing refresher or remedial training shall be scheduled such that the training does not impact day-to-day operations. Agencies shall provide input on remedial training topics and approve training materials.

8.2.4.1 Training Plan

TSP shall update the Training Plan to include information regarding the OCTA operation and seek approval from Agencies. The plan shall address the TSP's training philosophy, ramp up training, new hire training, ongoing refresher training, continual improvement, and remedial training. The plan shall detail the training topics, schedule and training tools for each training phase by staff role. Special training should be provided for those employees who will be in direct and indirect contact with customers, including the call center, walk-in center, email, and mail. TSP employees shall be cross-trained to allow staffing resources to adjust to meet the needs of the CSC.

Each TSP employee shall be required to successfully complete a formal and practical training program prior to being assigned to a customer facing role. TSP shall be responsible for continuous remedial training, whether onsite or off-site, of its employees performing Toll Services and conduct continual policy and procedure quizzes. In addition, whenever new processes or

procedures are implemented or revised the TSP must incorporate them into training and quizzes. TSP shall provide all equipment and materials required for training sessions including facilities.

CSC management shall have regular performance reviews with customer service representatives to discuss quality and accuracy of work. Performance reviews shall be quarterly or more frequently if performance is below standards.

The TSP employee's skills, behavior and attitude shall, at a minimum, reflect the following:

1) A genuine desire to help customers;
2) Understanding of customers' needs;
3) First contact resolution;
4) Taking responsibility for assisting customers;
5) Teamwork;
6) Putting forth extra effort on the job;
7) Avoiding the mistakes that cause most customer conflicts; and
8) Providing customer satisfaction with a reasonable balance between customer requests and Agencies' interests.

TSP Shall be responsible for providing any employee training required by state or federal law.

8.2.4.2 Image Review Training

TSP shall be responsible for providing detailed training to all image review staff that shall consist of training to review California license plates as well as all other jurisdictions license plates. The plan shall detail the training topics, schedule and training tools for each training phase by staff role. Special training should be provided for those employees who will be reviewing license plate images that will be used for direct and indirect contact with customers. Each TSP employee shall be required to successfully complete a formal and practical training program in Image Review prior to being assigned. Continual refresher training shall be provided to ensure all Image Review staff is familiar with updated license plate designs.

8.2.4.3 PCI DSS, PII and DMV Training

TSP shall be responsible for certifying that all staff is familiar with and will adhere to all PCI DSS requirements, Governmental Rules applicable to PII and DMV requirements. Continual refresher training and quizzes shall be administered annually or as required based on performance and PCI standards, regarding PCI DSS requirements and standards, Governmental Rules applicable to PII, and DMV requirements.

TSP shall maintain any signed records required by the DMV for each staff member with access to registered owner information.

8.2.4.4 Training Reporting

TSP shall monitor, track, and report all employee training to include:

1) Training class attended;

2) Date class completed;

3) Class duration;

4) Score of any quiz completed; and

5) Location of training class.

8.2.4.5 OCTA/RCTC Staff Training

TSP shall notify Agencies of all scheduled training and accommodate up to a total of five (5) Agency representatives in any and all training sessions at no additional charge to Agencies.

In addition to the internal training, the TSP shall provide training at four (4) levels to Agencies and/or external entity staff and Agency designees:

1) Introduction to the CSC system and operations;

2) Yearly refresher course for the CSC system and operations;

3) Upon deployment or prior to deployment of system changes as needed; and

4) On request training as needed on the user interface, reports, etc.

8.3 CSC Host

TSP shall supply a CSC Host that will support the customer service functions. The CSC Host shall be designed and sized to accommodate Lane and Trip Transactions from the ETC Hosts and support all customer service and Violation management functions.

The CSC Host shall be operational 24 hours a day, seven (7) days a week; therefore the hosting solution shall include all necessary redundant components to achieve the Performance Requirements, facilitate maintenance and reduce the potential for single point failures.

The CSC Host shall generate alerts to send to MOMS as defined during the D&D Phase.

8.3.1 Database Management System

TSP shall provide an enterprise Database Management System (DBMS) (supporting data management needs, as well as the recovery sites) that meets the following minimum requirements:

1) Software and Hardware must be consistent across all aspects of the TCS;

2) Store logging data separately from application data, and store configuration data separately from application data;

3) Define and describe all CSC system data elements in a metadata dictionary;

4) Recover to the last committed transaction at all tiers of the CSC;

5) Be configured exclusively through the selection of parameter settings;

6) Have data encryption capability to the element level to be determined during the D&D Phase; and

7) Use Structured Query Language compliant with Open Database Connectivity capability.

The enterprise data residing at the CSC Host shall be the single, authoritative record of all Account Transaction data. The DBMS shall provide robust audit tracking, and further, records/files must not be overwritten without confirmation and posting to an audit log. Authorized Agency staff shall have access to the data at all times to allow independent review and reporting.

8.3.2 Data Storage and Availability

TSP shall provide a DBMS that supports and fulfills the required functionality described throughout these TPs for data stored online. TSP's data storage allocated for the CSC shall be sized to accommodate the requirements stated in these TPs over the Term. TSP shall provide sizing calculations at CDR. High capacity storage media shall be used to be able to archive data based on administrative procedures and the Business Rules. These procedures shall strive to minimize both data retrieval time and the cost of offline storage for data that may have a low expectation of being accessed in the future. Storage of data shall meet the following minimum requirements:

1) 4.5 years of Account statements, Account activity, all Transactions, Violations, and image-based tolling data shall be stored online and available to CSRs;

2) 4.5 years of Violation and image-based toll images stored online and available to CSRs;

3) 4.5 years of ODS images and data stored online and available to CSRs;

4) 2 years of Violation Transactions, images, and Account activity stored online and available through the website to customers;

5) 2 years of files exchanged with any third parties including TSP subcontractors, DMVs, cash payment networks, or collection agencies;

6) 4.5 years of all Transponder Transaction files and files exchanged with the CTOC network for use in toll dispute resolution and transaction reconciliation;

7) 3 years of all CSC reports shall either be stored online or readily accessible to produce during the Term, including any extensions, or as required by Governmental Rule;

8) All data mentioned above may be moved to offline electronic storage after the minimum period of online storage has expired and in no case shall PII data be stored for more than 54 months;

9) A reliable, high capacity, compact, data storage media shall be employed for offline storage;

10) All data other than PII must be stored for the Term;

11) TSP shall retrieve any data from offline storage within five (5) Business Days of a request by an Agency; and

12) All Transponder transaction files received from the CSC Host and/or sent by the CSC to another CTOC facility shall be stored in a non-compressed format and shall be available for review by the applicable Agency.

The original, machine generated, static PDF of all customer correspondence including statements, Violation Notices, and other notifications shall be stored in the system.

8.3.3 System Accuracy, Reliability, Maintainability, Flexibility, and Scalability

TSP shall ensure CSC system maintainability, accuracy, reliability, security, and availability over the term of the Contract. The system shall satisfy, at a minimum, the following requirements:

1) The CSC System shall provide up-time Availability according to the KPIs;
2) TSP shall utilize MOMS for responding to CSC Hardware and Software problems;
3) The CSC System shall allow scheduled preventative maintenance activities to be performed while the CSC System is online. Preventative maintenance actions shall be transparent to CSC operations and shall not introduce any degradation in TCS performance; and
4) The CSC System shall allow for the addition of new facilities and reporting by facility.

8.3.4 Host Locations

8.3.4.1 Primary Host

The primary CSC Host shall be located at the ROC. TSP shall furnish and install a complete CSC Host server configuration including storage, server racks, back-up library, communication/networking gear, conduits, and other Hardware as needed to support requirements.

8.3.4.2 Secondary Host

The secondary CSC Host shall be located at least 60 miles from the ROC and the I-15 EL, subject to Agencies' approval. TSP shall furnish and install a complete secondary CSC Host server configuration including communication to the secondary host, host location, electrical power, UPS, generator, storage, back-up library, communication/networking gear, and other Hardware as needed to support the requirements of the Contract and the KPIs. . The secondary CSC Host may be implemented using a virtual or cloud-based solution. The secondary CSC Host server configuration shall have redundancy features and capabilities wherein the CSC Host can be brought on-line and back into operations to allow the TCS to meet the KPIs. The secondary CSC Host data shall be synchronized with the primary CSC Host data in near real time. TSP's design shall ensure that no data created in the ELs is lost when the CSC Host is brought back to full operation.

8.3.5 Hardware and Equipment

The CSC Host configuration shall include all ancillary equipment needed to provide a complete CSC Host that meets all of the requirements of the Contract.

The CSC Host, including all major Hardware elements, shall be of the latest design and shall incorporate standard commercial products currently in production. The TSP shall use server configurations that support future upgrades to processors, memory, storage, operating system, and database. CSC Host servers shall be assigned unique IP addresses that identify their locations.

The CSC Host servers and related peripheral Hardware shall be supplied from the same manufacturer. All CSC Host system Hardware equipment performing similar functions shall be of the same manufacturer. Hardware shall be commercially available, off-the-shelf equipment.

The CSC Host shall maintain time synchronization with the ETC Host.

The CSC shall not lose any data upon controlled system shutdown. In the event of an uncontrolled system shut down, the CSC Host shall lose no more than in-progress or unprocessed user entries and Transactions.

8.3.6 Host Operations Failure Modes

In all failure modes listed below, the Host shall report through screens and alarms that it is operating in a failure mode and what the failure is. An indication of these failure modes shall appear on relevant financial and audit reports.

8.3.6.1 Loss of Communication with ETC Host

In the event of a loss of communication with the ETC Host:

1) The CSC Host shall continue to provide all customer service functions using data last received from the ETC Host;
2) The CSC Host shall store all Tag Status Files and queue other files to resume upon communication restoration;
3) The CSC Host shall have a mechanism by which files can be manually exchanged with the ETC Host; and
4) The CSC Host shall track which files were exchanged manually. When communications resume, it shall not send these files a second time or overwrite more current information sent by the CSC Host.

8.3.7 Data and Financial Security, Integrity, and Accountability

The CSC Host and associated systems shall include features to assure the security and integrity of all data collected and processed by the CSC. The CSC Host shall accurately and correctly process 100 percent of all data collected. The system shall employ redundancy as needed to meet the required Availability and functionality requirements and to protect against data loss and data corruption. Data loss includes the loss of any Account data, deposits, payment information, Transaction, Transaction history, Violation Transaction history, any system configuration or operational information, or any other information that would negatively affect operations of the CSC. Communication transmissions shall employ reliable means of confirming sent data is accurately received.

The CSC Host shall be designed to protect against data loss caused by equipment malfunction and failure, inadequate data storage capacity, communication loss, power outage, voltage drop or surges, extreme temperatures, deletion by unqualified and unauthorized users, or Software attacks (i.e., rogue users/hackers, virus attacks, etc.).

The CSC System shall employ an integrated and comprehensive anti-spam and anti-virus protection system.

The CSC System shall provide varying User Roles that are assigned by a qualified system administrator. CSC System access by personnel shall be limited to only those functions needed to perform their assigned work. CSR screens shall not display credit card numbers. Other operations staff shall have, at a minimum, read-only access to all Account, Transaction, Violation, and CTOC data and the ability to write notes or comments to the Account database to reflect conversations and/or correspondence with Account holders.

Any modifications to data (records) shall be made as adjustment entries with all actions recorded to a retrievable chronological log that includes notations to support TCS audits. The CSC System screens shall support this adjustment feature in both entry and review modes such that adjustments made to the data are readily available. The name and user ID of the person making the adjustment as well as the date, time, workstation, and specific notation that was made shall accompany each adjustment record. This component feature shall be assignable to user-access levels by the system administrator.

8.3.8 Data Protection and Integrity

The CSC system shall support encryption or other methods to ensure secure transmission of data. This requires encryption such that:

1) All manipulations or transmissions of data during the exchange are secure;
2) If intercepted during transmission, the data cannot be deciphered;
3) Confirmation is received when the intended recipient receives the data;
4) The exchange of information shall occur between secure end points; and
5) Entities shall use industry standard algorithms or cryptographic modules such as those validated by the National Institute of Standards and Technology (NIST).

The CSC System shall support the use of role-based security with various access levels, function rights, and controls over the visibility of information that can be assigned to different user groups or individuals by authorized users.

TSP shall prevent unauthorized access to the web server or the CSC System, including internal TSP staff, subcontractors, and or third party entities. As part of the Disaster Recovery Plan, TSP shall discuss its policies and procedures for addressing such events as data integrity disruptions, security breaches and or other errors. Any such event shall also be reported to RCTC immediately stating the incident and resolution planned or executed. The TCS shall encrypt all data transmitted through the web or extranet.

The CSC System shall comply with all applicable standards issued by the PCI DSS throughout the Term and as described in these TPs.

8.3.9 Backups & Redundancy

At a minimum, TSP shall perform daily incremental backups of the CSC Host data.

TSP shall also create monthly backups of the entire CSC Host and include all files, data, and Software necessary to completely restore the TCS to an operational state.

Backup equipment, processes, and data shall be tested on a periodic cycle as defined in the approved Disaster Recovery Plan.

8.3.10 CSC Host Graphical User Interface

The GUI shall, at a minimum, include:

1) Modern web browser based GUI design for all Software that requires a user interface, including the Chrome, MS Edge, Apple MAC and Safari;

2) Screen displays which are all printable;

3) Allow multiple windows to be open simultaneously with current data contents;

4) Browser window size which can be controlled by user;

5) Browser window aspect ratio which can be controlled by user;

6) The ability to halt a query/report request at any time. A consistent look and feel across the entire TCS;

7) A one-step method for going back to the previous screen (i.e., a “back” button);

8) Access to view and print help screens throughout the TCS; and

9) The ability to define user restrictions, access rights and priorities.

GUI design details will be defined and finalized during the D&D Phase.

8.3.11 Customer Service GUI

The TSP shall provide an efficient and accurate user interface for CSRs to use while interacting with customers, allowing CSRs to quickly answer questions, provide Account/Violator status, Account/Violator history, fulfill requests, process payments, and provide related customer service functions.

The CSC System shall respond to CSR input within 2 second for functions related to account creation, payment processing, account lookup, license plate lookup, and navigating between screens/functions within an account.

Warning pop-up message if the query or function the user has requested will take more than 30 seconds to load.

CSRs shall have one-step correspondence response, transaction adjustment, and Account note processing.

TSP shall provide CSRs with tools to speed processing such as workflows, hot keys, or add-ons.

The CSC System shall provide automated Account notes when appropriate.

8.4 IBT Image Review

The ETC Host shall provide IBTs that are below the confidence threshold for OCR to the CSC for Image Review.

The TSP shall provide a fully equipped and staffed image review department that will be responsible for review of all IBTs that were unable to reach the prescribed confidence level at the ETC Host. Until the confidence level is proven through System Acceptance Testing, the TSP shall

review all unique plate images the first time they are captured. These IBTs shall be reviewed by TSP image reviewers to identify the license plate number, jurisdiction, and type as discussed here and in Section 8.7.2. The TSP is responsible for providing the appropriate personnel and assuring all IBT transactions are processed and reported in an accurate and timely fashion. License Plate Image review and processing is permitted to be outsourced or offshored.

Once the IBT license plate number, jurisdiction, and type is identified, the ETC shall use the data to create Image Based Trip Transactions. Functions of the TSP related to IBT review shall include:

1) Monitoring of image reports to assure images are flowing through the TCS properly and in a timely manner;

2) Assure proper image review staffing to handle transaction volumes and meet KPIs;

3) Accurately enter plate numbers, plate types and state of registration; and

4) Properly code all images that are rejected.

The image review interface shall be efficient and effective for image reviewers' use and shall load new images and respond to users within 1 second of input or image request once the user is logged in and has begun processing. This does not include user login or batch loading time.

Images found to be incorrectly entered into the CSC System after posting shall be reviewed manually and post to the proper account or begin the Violation process.

8.4.1 Perform Image Review and Selection

1) Select the best IBT image to use in correspondence, notices or enforcement efforts related to the transaction as needed, and

2) Perform quality control (QC) on the image review process following key performance indicator requirements.

8.5 Customer Service Center

The TSP shall provide a fully equipped and staffed customer service center (CSC) within the ROC. The CSC shall support all Account based customer needs and Violation resolution through various methods including phone, mail, website, and a walk-in center.

8.5.1 IVR & Phone Call Management (PCM)

The TSP shall provide an IVR and phone call management system that maximizes customer satisfaction, accuracy, and efficiency. The phone system shall support inbound and outbound calls for customer service.

TSP shall support the transition of the 91 Express Lanes IVR to the Riverside Express IVR and updates to the current IVR to include the 91 Express Lanes and other changes specified in the Business Rules.

The IVR and PCM shall satisfy the following functional requirements:

1) All calls shall be routed through the IVR;

2) The IVR and PCM shall recognize customer caller identification number and associate it with an Account according to the Business Rules. The IVR and CSRs shall use the Account association to prompt an appropriate level of security Account validation to improve customer service and shorten call durations while maintaining Account security;

3) PCM shall allow live monitoring of all calls by supervisors and authorized personnel at the call center and remotely;

4) PCM shall record all calls for quality control and training purposes;

5) At the direction of OCTA/RCTC, the TSP shall provide a customer service survey Protocol, prompting callers to provide feedback after interacting with a CSR or the IVR;

6) Receive, queue, and route all calls as appropriate;

7) IVR shall provide both English and Spanish language prompts, and allow callers to select a preferred option;

8) The CSC shall provide CSRs to support English and Spanish speaking callers, as well as other languages through a relay service;

9) IVR shall provide appropriate prompts based on time of day and CSR hours of operations. Examples include:

    a. Disable routing to CSRs during non-CSR operating hours, and

    b. Direct customers to the website during non-CSR operating hours.

10) IVR shall provide customer service news and alerts at appropriate points in the call routing process and as in-queue messages as directed by OCTA/RCTC;

11) IVR shall provide callers with the following information through voice and numerical selection options:

    a. Hours and locations of customer service operations including Call Center and Walk-in Centers
    b. Account functions including:
        i. Providing pre-paid toll balance
        ii. Update replenishment method
        iii. Accept Account replenishment via credit/debit cards and ACH
        iv. Request additional transponders
        v. Request to speak to a CSR during business hours
    c. Violator functions including:
        i. Providing outstanding Violation balance including tolls, fees, and penalties
        ii. Accept Violation payments via credit/debit cards and ACH
        iii. Request access to CSR during business hours for information Account options and Account opening
    d. Other functions the TSP determines to support maximum customer satisfaction, accuracy, and efficiency in handling customer requests.

The IVR and PCM shall satisfy the following technical requirements:

1) Support call volumes and rates sufficient to ensure queuing of all calls over the O&M Term, meeting the KPIs;

2) Record and report system usage statistics with the purpose of:

    a. Measuring performance against KPIs;

    b. Improving IVR menu functions, options, and call routing efficiency and accuracy; and

    c. Supporting customer service functions and evaluate staffing levels.

3) Phone call type, issue(s) addressed, and duration shall be minimum data collected. Phone call types may include Violation, Account, or Other. Issues addressed may include Violation payments, Account replenishments, customer questions, transponder inquiry, etc. Actual classifications of phone calls shall be determined during detailed design and approved by Agencies. Classifications used by CSRs shall be changed during the O&M Term upon direction of Agencies.

4) IVR shall be designed to minimize levels of menu options prior to receiving requested information or initiating a customer service action.

5) Support up to five separate (5) in-queue messages.

6) All callers reaching a CSR or visiting their account on the web shall be asked to verify their address, email address, and phone number if it has been more than 60 (Configurable Parameter) days since their last verification.

7) Meet all KPIs.

8.5.2 Customer Service Representatives

The TSP shall fully staff the ROC with Customer Service Representatives (CSR) to meet the KPIs and provide high quality customer service. The TSP shall create customer service policies and procedures to include, at a minimum, the following:

1) Standardized responses;

2) Work flow tools;

3) Customer issue escalation procedures (i.e. escalation to work leads or supervisors);

4) After call issue resolution procedures (i.e. creation of service requests);

5) And other policies and procedures necessary to provide high quality customer service, meet the KPIs, and accurately and efficiently handle customer and Violator requests and inquiries;

6) Account noting policies and procedures; and

7) Language preferences for English or Spanish.

8.5.3 Customer Correspondence and Applications

All Account application and customer correspondence, which includes statements, Violation Notices, Account notifications, alerts, emails, and other communications shall be designed by TSP graphics designers to provide aesthetically pleasing, accurate, and user friendly materials.

TSP shall provide a document which includes all final OCTA/RCTC approved customer communications including letters, statements, emails, texts, applications, brochures, product instructions, outgoing phone messages, and other customer facing materials. The document shall clearly state the document version, method of delivery, and timing of delivery for each piece of communication. TSP shall present all customer communication to OCTA/ RCTC for approval at least 90 days prior to the transition Date.

TSP shall work with the Agencies to review and amend existing correspondence to meet the needs of both Agencies. The revised branding will need to be incorporated into all correspondence and customer facing materials.

8.5.4 Mail Processing and Fulfilment

All inbound and outbound mail shall be processed accurately and expeditiously. The TSP shall provide a CSC that meets the functional and technical requirements below related to mail processing and fulfilment Incoming Mail

1) The CSC shall meet the following functional requirements:
    a. Receive and process the following types of correspondence:
        i. Account applications: resulting in the establishment of a pre-paid toll Account
        ii. Account changes and updates
        iii. Account and Violation payments by check or credit/debit card number
        iv. Returned mail
        v. Other written correspondence.
    b. Call or email customers to address issues
    c. Scan all incoming mail
    d. Associate scans of incoming mail to the appropriate Accounts.
    e. Notate all returned mail by mailed piece of correspondence
    f. Process mailed payments and apply to the appropriate Account.
    g. Allow CSRs to quickly find received and scanned mail associated with customer Accounts or Violations.
2) The CSC shall meet the following technical requirements:
    a. All incoming mail shall be stamped with the receipt date.
    b. All incoming mail shall be scanned as an OCR PDF and associated with Accounts or Violations with the receipt date and document type indicated in the CSC System.
    c. Mail returned as undeliverable shall be recorded as such in the CSC Host and processed per the Business Rules

8.5.4.1 Outbound Mail

1) The CSC shall meet the following functional requirements for outbound mail through USPS:

    a. Create and send the following types of correspondence/materials:
        i. Account alert: Suspension/Closure
        ii. Account alert: Negative balance
        iii. Account alert: Credit Card Expiration warning 30 days in advance
        iv. Account alert: Credit Card Decline
        v. Account alert: Email bounce
        vi. Transponder not reading (Pay-by-Plate)
        vii. Account alert: Returned Check or ACH failure
        viii. Violation Notices
        ix. Account Statements (Subject to the applicable Agency's approval, Agencies may charge a printed statement fee for monthly printed statements)
        x. Transponders to individuals and businesses
        xi. Account alert: ODS adjustment and administrative fee
        xii. Results of contested Violations
        xiii. Violation alert: Returned check or credit card charge back
        xiv. Annual customer account update notification (general notice)
    b. Attach OCR PDFs of any mailed correspondence/materials to the appropriate Account
    c. Allow CSRs to quickly find sent mail associated with Accounts
    d. Record the mail date and correspondence name in the CSC database.
    e. Utilize Intelligent Mail Barcode (IMB) tracking data and populate address service data in the CSC database available to the CSRs
    f. Produce mail in either English or Spanish according to customer Account preferences.
    g. Mailing may be outsourced to subcontractors or vendors, but must be performed and mailed within the state of California.
    h. Outbound mailings may be printed front and back (duplex) and may be printed on paper size up to 8 ½ inches by 14 inches at the TSP's discretion.
    i. Note a customer account with the details of any returned or undeliverable customer correspondence and follow up on returned or undeliverable account holder mailings via email and/or phone.

2) The CSC System shall meet the following technical requirements for outbound mail:

    a. Mailings for account alerts should occur within one business day of trigger.

    b. Utilize National Change of Address (NCOA) database services or similar third party address services for each address (not each notice) in a given mailing period.

    c. Utilize address standardization services

    d. Utilize skip trace services for returned or undeliverable NTEV and NDTEVs

e. Utilize presorting and comingling services to obtain the best postage rates

f. IMB address services and data exchange to automatically update mailing addresses on Accounts and Violations as appropriate.

3) The TSP shall mail all outbound mailings using the best available postage rates through using aggregators, presorting, and comingling as available and cost effective.

4) All mailings shall be mailed from a location in southern California. Production and printing of mailings may occur from a location determined by the TSP.

5) Account related mailing payment

a. The TSP shall pass through to Agencies all mailing costs including postage, generation, printing, paper, and envelopes for Account related mailings. Account mailings include all mailed correspondence pertaining to the maintenance and use of a FasTrak account such as statements, account status and disputes for transactions posted to an account.

a. Postage for mailing Transponder welcome packages shall be a pass through cost to Agencies. Processing Transponder welcome packages and materials other than the welcome kit, transponder mounting instruction and account license agreement shall be borne by the TSP

b. Each month the amount of account pass through costs will be reduced by 17,000 units to offset the amount included in the fixed CSC Fee prior to the addition of the 91 Express Lanes

6) Violation Notice (NTEV and NDTEV) Mailings

a. The TSP shall pass through to Agencies all postage costs related to violation notice mailings.

b. The TSP shall be responsible for all other costs, excluding postage, related to mailing violation notices, including generation, printing, paper, envelopes, and processing mail. These costs shall be included in the Violation Processing line item.

7) Other Violation (Non NTEV and NDTEV) Mailings

a. The TSP shall pass through to Agencies all mailing costs including postage, generation, printing, paper, and envelopes for violation related mailings. Violation mailings include all mailed correspondence pertaining to the collection and processing of toll violations such as violation disputes and DMV hold notifications.

8.5.4.2 The 91 and 15 violation notices may be combined into a single notice based on the existing business rules. Returned and Undeliverable Mail

First class mail can be returned or rejected for a number of reasons including USPS standards or being returned as undeliverable. The TSP shall work to minimize these events. The TSP shall utilize Good Industry Practice in mail processes and address standardization.

1) Mail rejected due to USPS standards shall be marked as such in the CSC Host. No further mailings shall be attempted until the address is updated.
2) Mail returned as undeliverable shall be marked as such, with the reason noted in the CSC Host. No further mailings shall be attempted until the address is updated.
3) Undeliverable mail shall be reattempted upon receipt of an updated address from the NCOA database, USPS, CA DMV, or through the CSC.

8.5.4.3 Transponder Fulfillment

The TSP shall be responsible for all activities required to provide and manage Transponder fulfillment for customers and Non-Revenue Accounts. Responsibilities include, at a minimum, the following:

1) Coordinating orders of Transponders with Agencies based on forecast needs in order to always maintain transponder availability to fulfill customer and retailer requests (Agencies shall procure Transponder supplier and submit orders);
2) Receiving and testing incoming Transponders;
3) Storing and maintaining inventory controls to maintain inventory security;
4) Providing inventory reports and sales data to Agencies monthly along with a 12 month forecast;
5) Handling all Transponder warranty claims with the transponder vendor;
6) Processing Transponder requests from customers, mailing requested transponders within two (2) business days; and
7) Maintaining all Transponder mailing supplies (i.e. envelopes, Transponder welcome kits).
8) Delivering and tracking inventory at the OCTA WIC

8.5.5 Payment Processing

8.5.5.1 Payments

The TSP shall process all payments via mail, web, walk-in centers, and phone. Payment methods shall depend on location:

1) Mail: Checks and money orders only
2) Phone: Credit/debit card and ACH only
3) Walk-in Centers: Cash, Checks, money orders, credit/debit card, and ACH
4) IVR: Credit/debit card
5) Web - Violations: Credit/Debit and ACH
6) Web – Transponder Accounts: Credit/Debit and ACH for either one-time replenishments or automatic replenishments
7) Third Party Payment Processing & Collections ProviderCash

Payments by check shall be processed using local Check 21 compatible equipment. Personal and business check payments shall be held for a period of time per the Business Rules prior to funds availability. This shall be a Configurable Parameter.

Payments shall be permitted as a one-time payment or recurring payment based on replenishment thresholds per the Business Rules.

Replenishment amounts and thresholds shall be Configurable Parameters and may vary by Account and Account type. Automatic replenishments shall be accommodated per the business Rules. Both a primary and secondary replenishment payment method shall be accommodated for each Account.

Credit/Debit cards to be accepted include a minimum of:

1) MasterCard;
2) Visa;
3) American Express; and
4) Discover.

If the monthly volume does not cover the minimum of $1,000, the difference between actual charges and the minimum will be billed as a pass through cost to Agencies.

PAYNEARME Minimum

If the monthly volume does not cover the minimum of $1,000, the difference between actual charges and the minimum will be billed as a pass through cost to Agencies.

8.5.5.2 Refunds

The TSP shall process refunds for Accounts as needed Conditions which may warrant refunds include events such as the overpayment of a Violation, closure of a Transponder Account with a remaining balance, or from erroneous transactions that posted to an Account. Refunds shall:

1) Be issued by check or credited back to the credit/debit card used to make payment when possible;
2) Be mailed or credited within 3 (three) Business Days of being eligible for a refund;
3) Hold refunds for Transponder Accounts for a specified number of days (currently 21) per CTOC policies;
4) Refund amounts are processed according to the stated agency refund policy.
5) Credit amounts in which a customer or Violator is entitled to any amount automatically;
6) Reissue uncashed refund checks and manage escheatment process; and
7) Refunds shall all be issued with a letter explaining the nature of the refund.

8.5.5.3 Account Fees and Pricing

TSP shall provide a CSC system that includes various fee schedules and pricing for EL products. TSP shall collect payment for all products and fees. Some of these may include:

1) Paper statement fees;
2) Account management fees (which may be a flat, period rate or based on a minimum number of Trips during a period);
3) Violation fees and penalties;
4) Non-refundable Transponder deposits and fees;
5) Returned check fees;

ACH return fee

6) DMV hold fees;
7) Collection referral fees; and
8) Transponder prices (for Transponder sales)
9) ODS Fee

Fees and prices shall be Configurable Parameters and vary by Account types. See updated business rules for complete fee schedule.

TSP shall handle Financial Transactions associated with promotions, non-refundable deposits for Transponders or Account creation, and other customer payments or credits as determined in the D&D Phase. Promotions may include non-refundable Account credits and should be configurable by agency and EL segment

Pre-paid toll amounts shall be a Configurable Parameter by Account type and vary by Account as determined in the Business Rules.

8.5.5.4 Sales Tax

TSP shall collect and file sales tax for any products subject to California Sales Tax regulations on behalf of Agencies, including the possible sale of transponders.

8.5.6 Transponder Account Communications

The TSP shall communicate with customers by the most cost effective and efficient means available. Communications shall include notifications to assist customers in avoiding Violations, provide balance information, inform customers of Account customer fees and charges, and provide critical toll facility updates.

The CSC System shall notify opt-in customers by email and/or text message of the following:

1) When a customer's pre-paid toll balance reaches a low balance dollar amount identified in the Business Rules;
2) Within one business day of a cash or check customer's pre-paid toll balance reaching a balance that triggers suspension of toll payment;
3) Within 30 days and 15 days of the last day of the expiratory month of a customer's automatic replenishment credit card or debit card, requesting that the customer update their payment information;

4) Within one business day of a credit/debit card decline, returned check, or ACH failure;

5) Within one business day of an ODR resulting in the assessment of an administrative fee and Trip posting at the single occupancy toll rate;

6) When statements become available for viewing or downloading; and

7) If a Violation or Image Based Transactions occurs on a vehicle linked to the customer Transponder Account.

Upon Agencies' direction, the CSC System shall notify opt-in customers by email and/or text of critical toll facility information such as closures, accidents, or other events.

Good Industry Practice in email management shall be taken to ensure delivery and reduce soft and hard email rejections or bounces. Undelivered emails shall be logged with the reason for rejection. The TSP shall maintain an excellent email reputation, checking blacklists often, and using best practices in email format, method, frequency, and policies. Examples of Good Industry Practice include not including attachments, using double-opt-in methods, virus scanning, including an unsubscribe option in every email, running sender IP addresses through blacklist checkers, asking customers to add your email address to their contact list, do not send emails to bad or nonexistent emails, and validate email addresses when making phone contact.

The TSP shall send mailed Account Notices, in addition to email and text message notification for the following critical notices:

1) Account alert: Suspension/Closure;

2) Account alert: Credit/Debit Card Decline;

3) Account alert: Returned Check or ACH failure; and

4) Violation Notices.

Mailings for the above notices are not required to be certified but shall have IMB tracking as specified in 8.6.4.2.

TSP shall support outbound customer phone calls in certain circumstances to support customers in maintaining accurate Account information. The CSC System shall implement predictive dialing. The TSP shall contact customers by phone when the following occurs.

1) Suspended Transponder Account (one phone call)

2) A mailed statement is returned as undeliverable without a forwarding address (two phone call attempts)

3) A Violation for a customer with a phone number on record is returned as undeliverable without a forwarding address (one phone call)

4) More than 5 Trips post as Image Based Trip Transactions to an Account in one month

8.5.7 ROC Walk-In Center

TSP shall provide full customer service functions at the Walk-In Center including, at a minimum, the following tasks:

1) Obtain information and ask questions about the facility, Accounts, Violations, and payment options;
2) Obtain a Transponder application;
3) Obtain customer materials;
4) Receive general information regarding toll facilities;
5) Open an Account;
6) Obtain, return, or exchange a Transponder;
7) Obtain Transponder supplies such as additional adhesive strips;
8) Replenish or make payments to a transponder, license plate, or toll Violator Account;
9) Obtain a copy of Transponder statement, Violation Notice(s), or other correspondence;
10) Change/convert Account types;
11) Make changes to a Transponder Account or Violation Account;
12) Close a Transponder Account or Violation Account;
13) Resolve all Account and/or transaction issues;
14) Contest a Violation, invoice, or transponder fees;
15) Appeal the results of an Investigative Review and request an Administrative Hearing
16) Pay DMV hold fees and settle Violations on DMV hold, and obtain an abstract (manual DMV hold release);
17) Test that a non-sticker tag Transponder is working properly;
18) Replace sticker tag Transponders;
19) Provide a secure area to hold administrative reviews at the ROC;
20) Obtain/deliver Affidavits of Non-liability; and
21) Reactivate Suspended Transponder Accounts.

TSP shall provide services to customer in English and Spanish for all conversational and written communication including forms and marketing material. TSP shall make all other major foreign language services available in conversation as needed through staff fluent in the serviced languages or by a "language line" service.

8.5.8 OCTA Store Walk in Center

See requirements in Section 1.3.2.4 for the OCTA store Walk in Center. OCTA will provide the staff to perform the tasks outlined in 8.5.7 with the support and training of the TSP.

8.5.9 Customer Website

The TSP shall provide a Customer Website that provides efficient, convenient, and accurate customer service. The Customer Website shall also provide customers with timely news and alerts regarding the 15 and 91 ELs.

The Customer Website shall be developed by experienced website developers and graphic designers and in conjunction with marketing specialists to provide an aesthetically pleasing, functional, and user friendly interface. The Customer Website shall conform to the following functional requirements:

1) The Customer Website shall conform to Good Industry Practice and applicable Governmental Rules and regulations regarding accessibility, function, and security.
2) The Customer Website shall contain information about the toll facility including toll rates, Account creation, and Violation policies.
3) The Customer Website shall provide news and updates to customers and shall be updated from time to time as directed by Agencies.
4) The Customer Website shall utilize responsive design to provide a user friendly interface regardless of device. The design must adapt to smart phone and tablet screens when detected.
5) The Customer Website shall be offered in English and in Spanish.
6) The Customer Website shall prompt and request visitors to fill out a survey once they have completed their visit as directed by Agencies.
7) Website messaging and language shall be approved by Agencies.
8) The Customer Website shall allow customers to manage their Accounts and at a minimum:
    a. Provide pre-paid balance information
    b. Provide Account transaction information
    c. Add or remove Transponders to/from their Account
    d. Report a Transponder lost or stolen.
    e. Add or remove license plates to/from their Account
    f. Update their Account contact information
    g. Update their Account payment information and make one-time payments via credit/debit cards and ACH.
    h. Add a second/backup payment method via credit/debit card and ACH.
    i. Request additional transponders (associated with the Account at time of mailing).
    j. Establish and fund a pre-paid/Transponder Account
    k. Print or download PDF versions of Account statements, payment confirmations, or Violation Notices.
    l. Close the Account and request a refund of remaining pre-paid toll balances.
    m. Opt-in or out of email and text message notifications by type and frequency.
    n. View Violations associated with their Transponder Account and perform all Violation functions as described below
    o. Add a license plate associated with a Violator Account. The customer shall be required to enter the date they acquired the plate. All associated Violations shall be moved to the Transponder Account. Fees shall be transferred or dismissed per the Business Rules.
    p. Review Account Correspondence

q. Dispute a toll transaction

9) The Customer Website shall allow Violators to:

a. View their transactions and trips, (not Violation Notices) total amounts due, status of contested Violations, and notifications;
b. Pay Violations in full or partial amounts;
c. Pay select Violations in one payment by selecting specific Trips;
d. Print payment confirmations;
e. Appeal or contest Violations under conditions specified in Vehicle Code Sections 40250-40273 and provide evidence;
f. Select multiple Violations at once to contest and upload evidence;
g. Provide an alternative contact name and mailing address for future Violation Notices;
h. Convert the Violation Account into a Transponder Account. Fees shall be transferred or dismissed per the Business Rules; and
i. Pay the Violation(s) toll amount from an existing Transponder Account by adding the vehicle license plate with active dates to the Transponder Account in one step based on the earliest Violation Date. This functionality shall be available from both the Violation Account and Transponder Account management screens, resulting in the Transponder Account being updated with the plate and tolls paid from the Account.

The current website will require rebranding to reflect the consolidated operation of the 91 and 15 Els and information regarding the 91 Express Lanes. Agencies will provide the branding style guide and static information for use in the inclusion of the 91 Express Lanes.The rebranding may impact the template for each page in terms of color and presentation. The home page may require a redesign at the direction of Agencies. The website shall be configured to be used on all mobile devices.

RCTC has secured the URL 15and91expresslanes.com for use with the consolidated website. During a period of transition the existing riversideexpress.com and 91expresslanes.com shall be directed to 15and91expresslanes.com.

The TSP shall assist the agencies with the notification to customers regarding the consolidation including the promotion of the target 800 # and 15and91expresslanes.com url.

8.5.10 Account Management

The CSC system shall include, at a minimum, the following functions related to Account management and compliance with current PCI DSS requirements:

1) Customer Account Functions – Create and maintain prepaid Transponder Accounts via walk-in, mail, phone, web, and web enabled devices.

2) Customer Disputes – Receive toll charge disputes via walk-in, mail, phone, responsive webpage. Respond to disputes via walk-in, mail, phone, or responsive webpage.

3) Customer Applications and User Guides – Provide electronic access to Account applications, user guides, FAQs, and video tutorials for personal and commercial customers.

4) Replenishment/Account Status – Provide the functionality to process cash, credit card, Automatic Clearing House (ACH), check payments, and recurrent replenishment features both manually and automatically.

5) Customer Statements – Produce statements for customers with Account activity monthly or quarterly according to customer preference. Customers without Account activity shall not have a statement mailed or emailed. A fee shall be charged for customers who choose to receive statements by mail.

6) Notify opt-in customers by text and/or email that their statements are ready for viewing or downloading from the Web.

7) Mail statements to customers that request a paper statement and those whose emails are determined to be invalid or bounce. Marketing material will be included to request they update their Account information.

8) Credit Card Processing Security – Credit card numbers shall be encrypted in the system in accordance with industry-standard encryption standards and PCI DSS.

9) Promotions – provide CSR, website, and functional support to run promotions from time to time offering customers or potential customers discounts, credits, or transponders.

10) Customers shall have the ability to select either English or Spanish as a preferred communication method, and either shall be automatically accommodated with all customer communications.

11) Other functions and alternatives proposed by TSP.

8.5.10.1 Account Management Rules

1) A license plate shall only be active on one Account at a time. License plates shall have start and end dates and times on each Account, which will determine the active period on the Account.

    a. Image Based Toll Transactions shall post to Accounts based on posting guidelines established in the Business Rules and per CTOC guidelines.

2) A license plate on a Violator Account may be moved to a Transponder Account along with the associated Violation transactions and fees.

    a. Tolls and Fees shall be able to be reduced under certain circumstances as outlined in the Business Rules.

    b. Pre-paid toll balances shall be used to pay Violations and fees

3) Some discounts may be provided for specific plate types or vehicles as identified in the Business Rules. Validation of the proper use of Transponders associated with these plans shall be performed by the TSP through a sampled review each month and reported in the O&M Monthly Report.

8.5.10.2 Account Opening

TSP shall accurately process all Account applications within 2 business days.

TSP shall use address standardization when opening an Account.

TSP shall request customers to indicate marketing source when opening an Account.

8.5.10.3 Bankruptcy

The TSP and Agencies may be notified of a bankruptcy filed by a customer or violator from time to time. The TSP shall handle processing of bankruptcy notifications. Agencies shall forward bankruptcy notifications to TSP. When notified of a bankruptcy filing change, the Account status shall change to bankruptcy status. The TSP shall scan received documentation and attach to the Transponder or Violation Account.

Upon being notified of a customer/violator filing for bankruptcy, the TSP shall cease all enforcement actions for all Transactions/Violations occurring on or before the filing date. Vehicle registration holds/suspensions shall be lifted.

If the debt is discharged, or bankruptcy date adjusted, the TSP shall take appropriate action per the Business Rules.

Bankruptcy cases dismissed shall result in the resumption of enforcement by TSP including vehicle registration holds at the DMV.

8.5.10.4 Deceased Customers:

Upon being notified that an Account holder is deceased and receiving a death certificate, TSP shall suspend the account. TSP shall cease mailing Violation Notices and attempt to identify an alternative liable party such as a secondary vehicle owner. TSP shall follow the Business Rules.

8.5.11 Account Types

The CSC System shall maintain various types of Accounts to be determined in the D&D Phase. Account types shall have Configurable Parameters for pre-paid toll requirements, toll rates and discounts, fees, and Transaction posting rules. TSP shall allow customers to change Account types without having to open a new Account based on Business Rules. Below are examples of Account types.

8.5.11.1 Non-Revenue Accounts

Non-Revenue Accounts shall be created per the Business Rules to allow free passage on the ELs for those who qualify. Non-Revenue Account users may not have associated transponders due to fleet size and anticipated infrequent use, resulting in Image Based Transponder Trips. Transponders may be issued to frequent Non-Revenue Account vehicles when it is determined to be cost effective due to frequency of use by vehicles. The estimated number of Non-Revenue Accounts is thirty (30). Non- revenue accounts should be created based on agency segment.

8.5.11.2 Transponder Accounts

Transponder Accounts shall be Accounts created at the request of customers to maintain a pre-paid toll Account linked to their Transponder. Customers shall provide sufficient information for the TSP to properly maintain the Account and communicate with customers. The 91 Express

Lanes existing accounts shall be transitioned to the existing account base to form one transponder account base.

1) At a minimum, information obtained and included in the CSC Database includes:
    a. First name;
    b. Last name;
    c. Suffix;
    d. Company Name (if applicable);
    e. Mailing address;
    f. Phone number;
    g. Email address;
    h. Cell phone number able to receive texts;
    i. Vehicle license plate number, type, and state;
    j. License plate start and end date; and
    k. Vehicle make, model, and year.
2) Customers shall be permitted to update any information provided by the customer.
3) The TSP shall track the following Account activities at a minimum:
    a. Transponder assignment (pre-packaged or ROC distributed), removal, and history;
    b. License plate assignment, removal, and history;
    c. Pre-paid toll payments and replenishments through automatic replenishment, mailed, IVR, or walk-in payments, and history;
    d. Account balances and history;
    e. Trip detail;
    f. Account balance adjustments, fees, surcharges, and refunds;
    g. Trip appeals processes and results;
    h. Trip escalation through the Violation process and disposition;
    i. Account Status (i.e. suspended, closed, bankruptcy);
    j. Opening of an Accounts;
    k. Modification of Account type; and
    l. Additional Transponders and Transponder replacements.
4) Transponder Accounts shall become suspended when the pre-paid account balance drops below $0.00 (Configurable Parameter).
5) Transponder Accounts shall be closed in accordance with the Business Rules.
6) Transponder Accounts, individual Transponders, or individual license plates shall be eligible for discounts per the Business Rules. TSP shall confirm eligibility for certain discounts by reviewing required customer provided documentation. Some discount classes may be issued a specifically configured Transponder.
7) TSP shall not require a one-to-one relationship between Transponder and license plate. In other words, a Transponder may be associated with more than one License Plate. A license plate associated with more than one account shall post according to the posting Business Rules.

8.5.11.3 Violator Account

Violator Accounts shall be created when a license plate is not matched to an existing Account, and the resulting DMV information does not tie the customer to an existing Account. TSP and Agencies shall analyze the best method for transitioning the 91 Express Lanes violator accounts to the existing violator account data base (e.g. Maintain separate accounts, combine accounts, create a co-account relationship.)

1) The Account shall be created using the DMV information provided, including:
    a. First name;
    b. Last name;
    c. Suffix;
    d. Company name (if applicable);
    e. Address;
    f. Phone number (if available); and
    g. Vehicle make, model, and year.
2) Customers shall be permitted to add to their Violation Account contact information to support notification of toll Violations:
    a. Add one contact person and one mailing address which can be used for communications instead of the DMV records.
    b. Cell phone number able to receive texts
    c. Email address
3) Violation customers' updates shall not modify the data received from the DMV, which will serve as the source of the Account creation and management.
4) The TSP shall track the following Account activities at a minimum:
    a. License plate;
    b. Customer data updates as specified above;
    c. Trip details;
    d. DMV lookup details and history;
    e. Violator payments through mail, IVR, or walk-in and history;
    f. Account balance and history;
    g. Account balance adjustments, fees, surcharges, and refunds;
    h. Trip appeals processes and results;
    i. Trip escalation through the Violation process and disposition;
    j. Transactions by plate; and
    k. Conversion to a Transponder Account.

8.5.12 Transponder Inventory Management, Tracking, and Reporting

8.5.12.1 Transponder Tracking

The system shall provide the necessary functionality to track Transponder inventory, including at a minimum:

1) Inventory levels by Transponder type;
2) Needs forecasting for the next 12 months;
3) Purchase orders initiated at a configurable threshold;
4) Acquisition of new orders;
5) Transport and distribution;
6) Sale to individual customers, businesses, or retail outlets;
7) Account assignment and transfer;
8) Returns;
9) Transponder warranty tracking of eligibility and fulfilment; and
10) Final disposition.

The TSP shall combine the 91 Express Lanes transponder inventory with the 15 Express Lanes inventory and make the necessary adjustments internally and within CTOC to host the 91 Express Lane valid tag list.

The TSP shall track Transponder quantities at each stage in a Transponder's life cycle so as to best safeguard the integrity of the TCS, Agency revenue, and provide exceptional customer service.

TSP shall perform a physical count of the Transponder inventory monthly. TSP shall provide the results of the physical inventory and reconciliation to the system inventory count monthly. TSP shall be responsible for reimbursing Agencies for any transponders missing from the physical inventory at the original cost of purchase.

8.5.12.2 Transponder Management

TSP shall provide full service Transponder management which, at a minimum, includes:

1) Inventory management;
2) Fulfillment;
3) Testing of new and returned inventory;
4) Replacement;
5) Adding and removing from Accounts;
6) Tracking Transponders with appropriate disposition codes to indicate lost, stolen, damaged, etc.;
7) Identification of non-working transponders based on customer Account activity;

8) Provide pro-active replacement as necessary;

9) Testing Transponders; and

10) Troubleshooting.

8.5.12.3 Transponder inventory management

Agencies shall procure and place orders for Transponders from a supplier. Transponders shall be managed by TSP once received from the supplier.

TSP shall provide Transponder inventory management including, at a minimum, the following:

1) Coordinating with Agencies to place orders for Transponders as needed based on forecasted demand of retail partners;

2) Receiving and processing orders from retail partners;

3) Distribution to retail locations or a central warehouse as directed by the retail partner;

4) Invoicing retail partners upon delivery of Transponder orders;

5) Post payments and track outstanding invoices for retail partners, supported by inventory records such as transponder numbers and quantities, box numbers and quantities, and shipping confirmations;

6) Track and account for negotiated discounts provided to retail partners or fees paid to retail partners through netting invoices, credits, or refunds as necessary;

7) Associate unique activation codes provided in pre-packaged transponders to a transponder number and pre-paid toll value in the CSC System. Pre-packaged Transponder cost may vary by retail location;

8) Allow customers to activate the pre-packaged Transponder through the Customer Website, Walk-in Center, or call center using the activation code provided in the pre-packaged materials; and

9) Include the Transponder in the CTOC active tag file upon activation.

8.5.12.4 Transponder Reporting

TSP shall report on Transponder inventory management and tracking through:

1) Reporting to forecast Transponder needs and request Agencies to place Transponder orders with supplier;

2) Reporting to indicate how many Transponders are in inventory, transit, or a retail location;

3) Reporting to indicate how many retail Transponders have been sold, of what value, and which retailer, by time-frame;

4) Reporting to indicate inactive and active tags by retailer with active tags broken down into new Account creation vs. existing Account addition. Aging reports for retail partner receivables; and

5) Reporting to indicate the number of inactive tags detected on Agency facilities so that the CSC can research tags and contact customers regarding Transponder activation.

8.6 Transaction Processing

The system shall receive and process all Toll Transactions sent to the CSC Host from the Roadside Host computers of Agencies' toll facilities and other CTOC interoperable agencies in accordance with the approved ICDs. TSP shall provide, at a minimum, the following functions associated with processing Toll Transactions:

8.6.1 Trip Transaction Processing

The CSC Host shall process and post Trip Transactions to Accounts in accordance with the CSC operational, functional, and performance requirements described in these TPs and in accordance with TSP's FDD approved by Agencies. A transaction processing module shall process files containing transaction records received from each Host computer.

1) Receive and process Trip Transactions from the ETC Hosts;
2) Receive and process other CTOC interoperable agency's ETC Transactions;
3) Post Trip Transactions to the applicable Agency Transponder or Violation Account at the appropriate toll rate. Toll rates may vary by transaction type: Transponder, IBT, or Violation according to the Business Rules;
4) Post trips based on CTOC and Agency hierarchy per the Business Rules;
5) Send Trip Transactions to the appropriate CTOC interoperable agencies; and
6) Reject Trips provided by the applicable Agency's toll facility Roadside Hosts that violate established Business Rules such that a Trip cannot or should not be posted to an Account or pursued through the Violations process:
    a. Duplicate Trips;
    b. Incomplete Trips;
    c. Invalid Toll Zones; and
    d. Other Trips as provided in Business Rules, to be defined during the D&D phase.

8.6.2 Image Based Transaction Processing

The CSC shall receive and process Image Based Transactions (IBT) and Image Based Trip Transactions. Processing includes the following tasks as a minimum:

1) Perform automated image review using OCR/ALPR and fingerprinting technologies, utilizing rear images to generate an accuracy confidence level, and identify license plate number, type, and jurisdiction of issuance. License plate type includes temporary plates, diplomatic, commercial, disabled, local and federal government, commercial, etc. as applicable and in accordance with business rules;
2) Establish an automated image review confidence level as a Configurable Parameter, below which transactions are queued for manual review. The confidence level shall be established and modified with RCTC's authorization. The confidence level of each

image shall be stored in the CSC Host Database and associated with the image and transaction;

3) Identify the image region of interest and create an imbedded enlarged image of that area;

4) Imprint the date, time, toll facility, lane, and Toll Zone on the image;

5) Identification of the best or highest confidence image from a trip to serve as the primary image on the Customer Website and NDTEV as determined by the system, or image reviewer if the confidence level was not sufficient;

6) Match IBTs to create Trip Transactions per established Business Rules;

7) Attempt to associate IBT Trips to Transponder Accounts at every step in the Violation escalation process. Post Trip Transactions to Transponder Accounts and deduct the appropriate toll amount from the Transponder Account;

8) Attempt to associate IBT Trips to CTOC agency accounts through the appropriate interfaces; and

9) All license plates associated with open Violations shall be compared to Transponder Account License plate lists and CTOC lists daily. If the Violation occurred within the License Plate Date Range on the Account, the Trip Transaction shall post to the Transponder Account or CTOC account. Fees and penalties shall be adjusted per the Business Rules. This is known as a Plate Sweep. Plate Sweep shall occur daily and include all open Violations, regardless of the level of escalation the Trip Transaction has reached.

The TSP shall provide manual image review staff and supervisors to enter license plates which are not or cannot be read through OCR/ALPR Software and maintain satisfaction of the KPIs for image review staff and backlogs. This team shall be responsible for review of all images that do not pass the OCR/ALPR with the established confidence level. Image Review shall include the following at a minimum:

1) A first image review by personnel to identify/verify the license plate number, type and state. Unreadable images shall be rejected using unique rejection codes. Rejection codes and conditions of use are to be determined during detailed design.

2) A second image review by a different person shall be required to verify the initial image review results under certain circumstances as determined in the Business Rules.

3) The TSP shall accurately identify new and un-matched license plates to the correct owner of record and Account using search tools and mechanisms consistent with good industry practices.

4) The TSP shall provide a process to maintain a high level of quality control in the review and recording of license plate image data in the System.

5) The TSP shall ensure that image review clerks perform quality control procedures on a minimum of ten percent of images entered or update data for those images not recognized automatically.

6) The image identified by OCR/ALPR or the image reviewer as the clearest and most readable image shall be the image used in correspondence.

7) The System shall incorporate features which allow license plates incorrectly read by the OCS to be sent for manual review if detected again per the Business Rules.

8) Misread plates after a Violation Notice has been mailed shall be dismissed and reprocessed with the correct license plate and registered owner information.

8.6.3 Large Account, Rental, Fleet Vehicle Processing

TSP shall efficiently process Transactions incurred by Large Account holders, rental cars, and fleet vehicles according to the terms of the existing and future agreements with Agencies and the existing or developed ICDs. TSP shall enter into data exchange agreements with Large Account Holders to facilitate efficient Transaction processing. These agreements may include the exchange of data files such as:

1) Sending and receiving transponder tag files to update Large Accounts;

2) Sending license plate data and receiving driver/lessee contact information;

3) Sending transaction information for third party Violation processing; and

4) Processing Payments.

8.6.4 Violations

In-lane transactions in which no Transponder is detected and the license plate is not on a Transponder Account, on a CTOC agency account available for posting, or the Transponder is linked to an Account with insufficient funds to pay the toll shall be deemed a Violation.

8.6.4.1 Violation Posting

Once a Violation transaction is identified the Violation transaction shall be Posted to an Account by the CSC in the following manner:

1) Violations associated with California license plates:

    a. The license plate shall be used to obtain the primary and secondary registered owner information from the California DMV

    b. The license plate, name, and address information obtained from the DMV shall be used to identify an existing Transponder Account or Violator Account for which to post the Transaction using Business Rules established during detailed design.

    c. If no existing Account is found, a Violator Account shall be created.

2) Violations associated with out-of-state license plates:

    a. The license plate shall be used to identify existing Violator Accounts.

        i. If no existing Violator Account exists per identified criteria identified in the Business Rules, Vendor shall use the license plate to obtain the registered owner information and create a new Violator Account.

ii. If an existing Violator Account is found per identified criteria in the Business Rules, the transaction shall post to the Account if the registered owner information has been received from the responsible agency within the preceding 30 days (Configurable Parameter). If the information is over 30 days (Configurable Parameter) old, the license plate shall be used to obtain current registered owner information. The resulting information shall confirm Account identity and allow the transaction to post to the Account, or result in the creation of a new Violator Account.

3) Process all violation transactions per the CA Vehicle Code and as determined in the Business Rules.

8.6.4.2 Violation Noticing

Toll Violations shall escalate according to CA Vehicle Code 40250 through 40273.

1) Notice of Toll Evasion Violation (NTEV): This notice shall serve as the initial notification that a vehicle registered to the recipient has been recorded using a toll facility without a Transponder and/or a properly funded Transponder Account. The NTEV shall include all unresolved Violations recorded by the TCS over a 7 day period or 10 violations whichever occurs first.

3) Notice of Delinquent Toll Evasion Violation (NDTEV): An unresolved NTEV shall escalate and initiate the mailing of the NDTEV. This notice shall serve as past-due notice for the Violation and also as a warning that non-payment will result in a vehicle registration hold and may result in referral of the debt to a collection agency. Violation Notices shall comply with Vehicle Code Section 40254. Violation Notices may be printed front and back (duplex) and on paper size up to 8 ½ inches by 14 inches at the TSP's discretion.

2) Violation Notices shall have a penalty associated with each Trip Transaction per the Business Rules. Expected value of these penalties is $25 per Trip Transaction (Configurable Parameter) on the NTEV and $30 per Trip Transaction (Configurable Parameter) on the NDTEV, however this penalty is subject to Agencies' Board approval, and the final value will be determined in the Business Rules.

3) Unresolved NDTEV debt shall result in escalation of the debt per CA Vehicle Code 40250 through 40273. The CSC Host shall:

   a. File a registration hold for the license plate of the vehicle used in the Violation at the CA DMV using both Agencies' DMV assigned codes

4) The TSP shall implement grace periods as Configurable Parameters as determined by the Business Rules for NTEVs and NDTEVs.

5) The TSP shall refer unpaid debt to a collection agency per the Business Rules through an electronic interface and mutually developed ICD.

6) Upon registration hold or referral to collection, customers shall be able to pay their debt to the DMV, CSC, or collection agency.

a. Once all debt responsible for the registration hold is paid in full, the registration hold shall be removed immediately after payment processing.

b. If Agencies or their vendors were responsible for an error that resulted in a vehicle registration being held or debt being referred to collection, the tolls and fees shall be waived and tolls dismissed or transferred to the appropriate party restarting the Violation process.

7) Any checks returned as unpaid and successful credit card charge-backs for Violation payments will result in a reversal of payment and reissuance of the NDTEV including a Returned Check fee or Charge-back Fee per the Business Rules (Configurable Parameter) in addition to the penalties or fees already assessed.

8) Violation Notices returned as undeliverable:

a. The TSP shall process returned mail and update addresses when available.

b. If a new address is available, the Violation Notice shall be reissued as an NTEV to the new address per the Business Rules. The notice shall indicate it has been "reissued" and have an updated due date.

c. If no address is available, the TSP shall utilize skip trace services per Section 6.14.

9) Plate Sweeps shall occur daily and transfer Violations to Transponder Accounts at any point in the Violation escalation process, with the exception of Trips in bankruptcy or referred to a collections agency.

10) Violation Notices shall include other correspondence identified in the Business Rules and necessary to operate an effective Violation process.

8.6.4.3 Investigations and Administrative Hearings

The TSP shall process contested violations through processing Affidavits of Non-Liability and requests for Investigative Reviews. Alleged Violators shall have the ability to contest Violations through the Customer Website, by mail, through the phone with a live CSR, or in person at the Walk-in Centers.

The TSP shall process Affidavits of Non-Liability and conduct Investigative Reviews per CA Vehicle Code 40262 through 40265. A notice shall be mailed to the original individual alleged liable for the Violation who has submitted an affidavit of non-liability or request for Investigative Review notifying such individual of acceptance or rejection of contested Violation.

Violations with approved transfers of liability shall restart the notification process and a Violation Notice shall be mailed to the individual alleged liable in the Affidavit of Non-Liability. Penalties and fees shall be adjusted in accordance with the Business Rules.

If it is discovered that the license plate image and the license plate number, type, or jurisdiction as recorded in the CSC Host do not match, the TSP shall correct the CSC Host and the Violations enforcement process shall restart.

TSP shall process requests for Administrative Hearing and appeals of the contested Violation findings per CA Vehicle Code 40255. Alleged Violators shall have the ability to appeal or request

Administrative Hearings through the Customer Website, by mail, or in person at the Walk-in Center. These requests must be in writing and will not be accepted by phone or IVR.

Processing of appeals and requests for Administrative Hearing includes receiving the request and supporting documentation, recording the request in the proper Account, and reporting to Agencies and/or a third party who will conduct the Administrative Hearing. TSP shall provide records from the CSC Host necessary to support the Administrative Hearing and appeals process. The CSC System shall record the outcome of the appeal or Administrative Hearing, update Accounts as appropriate and record necessary Transactions in the CSC Host.

TSP shall be responsible for conduction the Administrative Hearing. TSP shall be responsible for contracting with the Administrative Hearing Officer to conduct Administrative Hearings on behalf of Agencies.

TSP shall make staff available as witnesses as needed for appeals to court.

All disputes, contests, and appeals and results shall be recorded in the CSC Host with sufficient information to define the dispute for tracking and resolution purposes and according to the Business Rules.

All disputes requests shall be responded to by mail, or email as defined in the Business Rules.

Following the completion of an Investigative Review or Administrative Hearing, TSP shall indicate the resulting decision in the CSC System. The CSC System shall have disposition codes for the various outcomes as Configurable Parameters. By selecting the appropriate code, the System shall automatically apply the appropriate reduction in penalties if applicable, initiate the reprocessing or reissuance of the Trip if applicable, and generate the proper correspondence informing the customer of the results per the Business Rules. Disposition codes resulting from an Investigative Review or Administrative hearing shall be applied to a single Violation or a group of Violations efficiently.

TSP shall dismiss any Violations found to be issued in error and reissue to the correct registered owner.

All costs of administrative hearings shall be borne by TSP, except for the hearing officer services. The cost for the administrative hearing officer services shall be a pass through cost to Agencies.

8.6.5 Exceptions

The CSC system shall allow for exceptions and properly dispose of Lane Transactions and Trip Transactions resulting from:

1) Emergency traffic diversions onto the ELs, and
2) Other situations identified at the agency's discretion.

Motorcycles shall be permitted to use the ELs without a Transponder and without a Toll charge on the RCTC express lanes. OCTA requires a transponder for motorcycles. Image Based Trip Transactions shall be recorded by the CSC and disposed of according to the Business Rules. Motorcycle transactions shall be formed into a trip and accounted for as such in transaction and to be posted to an Account. The System shall identify motorcycles by the license plate configuration and not require pre-registration by the registered owner.

8.7 TSP Financial Accounting

8.7.1 General Requirements

TSP shall account for all Transactions. The TCS shall be easily Configurable to allow for the addition of new agencies, facilities, general ledger accounts and transaction types with proper accounting treatment. TCS shall provide separate tracking and reporting for each Agency, and for each facility (Ex. Separate tracking shall be provided for the RCTC 91 EL, OCTA 91 EL and RCTC 15 EL.

TSP finance staff shall include two full-time Finance Managers dedicated to the Toll Services who shall be located at the ROC until the Expiry Date of the agreement. The Finance Manager will oversee the toll accounting and reporting for the Toll Services and interface with Agencies to ensure all accounting needs are met.

The requirements in this section are regarding the TSP financial accounting system, and do not require an automated interface to the Agencies' accounting system.

TSP and the TCS shall meet the following accounting requirements:

1) Comply with GAAP;
2) Comply with both Agencies' accounting policies and procedures;
3) Provide Configurable Parameter processing rules.
4) Automatically generate double-entry bookkeeping entries for each Financial Transaction;
5) Provide for the identification of the source of all Financial Transactions at the Financial Transaction level;
6) Provide a configurable mapping of all Financial Transactions to the TSP general ledger demonstrating the corresponding TSP general ledger debit and credit for each Financial Transaction type;
7) Provide an audit trail for each Transaction from lane to Trip, Account, revenue, and general ledger;
8) Provide automated generation of fully supported financial statements for each Agency and each facility including: a general ledger, trial balance and subsidiary ledgers;
9) Provide for the accounting of revenue by Agency, Trip Transaction, Trip Transaction type, and posting date;
10) Provide for the accounting of general account revenue by a configurable percent, provided by Agency, for each facility.
11) Maintain multiple TSP general ledgers (by Agency and/or facility to be determined by Agencies);
12) Prepare and provide timely and accurate financial information and reports;
13) Make daily transfer of funds to designated parties accounts;

14) Posts Financial Transactions to the proper accounting period according to the accounting treatment agreed upon with Agencies. Should the TCS system post Financial Transactions to the general ledger in a summarized process TSP shall have the ability to provide detailed reporting of each account balance at any given time;

15) Adhere to both Agencies' daily, monthly and year-end closing schedule;

16) Report any unresolved discrepancies to the applicable Agency that remain open longer than 30 calendar days until they are resolved;

17) The accounting system shall match each Agency's fiscal year and provide for the annual close of all nominal accounts and dual-year operation to allow for delayed posting of Financial Transactions in the prior year while the current year is open and operating; and

18) Adhere to proper daily, monthly and year-end cut-off procedures.

8.7.2 Financial Management

The TCS shall include, at a minimum, the following functions related to financial management:

1) Accounting Features – Develop and utilize an internal TSP financial accounting system consistent with GAAP that includes a multi-account general ledger.
2) Account Mapping – Provide TSP general ledger account mapping for all Financial Transactions.
3) Financial Statements – Provide GAAP compliant statements for inclusion in each Agency's financials and audited by the applicable Agency's audit firm.
4) Internal Controls – Provide control measures for business processing and IT processing subject to periodic review by Agencies.
5) Credit Card Clearinghouse – Provide interface to a credit card clearinghouse.
6) Report Capability – Provide reports for financial audit, batch control totals, checks and balances, and revenue reconciliation.
7) Check 21 – Provide interface to bank equipment for Check 21 processing.

8.7.3 Internal Controls

TSP shall follow methods and procedures necessary to provide reassurance that the following objectives are achieved at a minimum:

1) Safeguard assets and minimize revenue loss.
2) Ensure validity of financial records and reports.
3) Provide adherence to policies, procedures, Governmental Rules and regulations.
4) Provide effective and efficient operations.
5) Properly classify activity and segregate balances by agency and facility.

8.7.3.1 Financial Control Plan

TSP shall create and submit to Agencies for review and approval a Financial Control Plan documenting the internal controls in place for the lifecycle of all transactions. The Financial Control Plan shall be submitted and approved with the Final Design Review. The Financial Control

Plan shall provide the framework for the internal control system including, at a minimum, the following:

1) Control environment:
    a. Management's focus on integrity;
    b. Commitment to investigating discrepancies;
    c. Diligence on designing systems; and
    d. Assigning responsibilities.
2) Risk assessment:
    a. Identifying the areas where errors and loss may occur; and
    b. Providing the controls to mitigate such risk.
3) Monitoring and reviewing:
    a. The schedule for management to review the plan;
    b. Assess if the controls remain adequate; and
    c. Identify new risks that may have arisen.
4) Communication:
    a. The plan for communicating the controls to staff to ensure adherence.
5) Control activities:
    a. The policies, procedures and daily activities that occur within the control system to prevent and detect loss or error.
6) Audit and reconciliation procedures.
7) The Financial Control Plan (including reconciliation and audit procedures described below) shall be reviewed and updated for all relevant changes, no less frequently than annually, prior to each Agency's fiscal year ends.

8.7.4 Reconciliation and Audit

The Financial Control Plan shall include reconciliation and audit procedures (also known as SOPs) necessary to ensure that there are no errors or loss of revenue for all transaction cycles. Such reconciliation and audit procedures shall include, at a minimum, the following:

1) Daily reconciliation of all Lane Transitions through posting Trips to the TCS general ledger. All un-posted transactions shall be accounted for according to agreed-upon reject codes. TSP shall provide weekly reporting, research and analysis of un-posted Lane Transactions;
2) Daily reconciliation of all major accounts between the general ledger and supporting records, including cash, pre-paid toll liability, credit card merchant processing, check 21 processing, DMV hold funds and fees, collection funds and fees and interoperable receivables and payables on a daily basis;
3) Daily trending of rejected transactions by source location (plaza and lane) and transaction volumes at various stages of processing and by transaction type;
4) Daily reconciliation of the subsidiary ledgers to the general ledger;

5) Monthly review, trending and investigation of adjusted (reduced or written off transactions by employee and reason code) transactions;

6) Daily reconciliation of all processes that involve the completion of Transaction posting (e.g. each process step that accounts for ETC Transactions through Account posting and image Transactions through posting or Violation Notice creation);

7) Reconciliation of Lane Transaction to Trip construction. All unposted Transactions shall be investigated and reconciled on a daily basis;

8) Monthly physical transponder inventory; and

9) Reconciliation of revenue collected and individual Transactions posted in the TCS daily.

10) Monthly reconciliation of all financial activity between the general ledger and each Agency's general ledger (E.g. reconcile the TCS general ledger to ensure it is in synch with each Agency's general ledgers at the end of each reporting period).

TSP shall provide Agencies with a monthly summary of all reconciliations, audits and trending analysis. Monthly summary shall demonstrate that the TCS general ledger ending balances reconcile to the agency general ledger ending balances and underlying balance reports and that the roll-forward of prior month ending balances to current month ending balances reconcile to the monthly activity.

TSP shall provide an annual Service Organization Control Type 2 report according to the Standards for Attestation Engagements (SSAE) No. 18. Should the reporting standards change during the Term, TSP shall provide the annual Service Organization Control report recommended by the American Institute of Certified Public Accountants.

TSP shall support the Agencies' independent auditors in the performance of their annual financial audit of the 15 Express Lanes and 91 Express Lanes. TSP shall provide the auditors with all reports, reconciliations, documents and detailed transaction records they request. TSP shall provide a work space for the auditors at the ROC during the course of their audits.

The TCS shall perform daily and monthly reconciliation of changes in Account balances resulting from the opening of an Account with the required deposits, the closing of an Account involving the refund of the outstanding balance and deposit, Account replenishments and payments posted to the Account, the posting all Financial Transactions and adjustments. Daily and monthly deposits shall be reconciled with changes in Account balances on an aggregate basis and for each acceptable payment type. Deposits made to the applicable Agency's bank by operations staff and electronically by the credit card processing companies shall be reconciled with counted and verified cash and credit card receipts.

The TCS shall reconcile every reciprocal transaction with the appropriate reciprocal agency.

The TCS shall have the ability to charge interoperable agencies a fixed or variable transaction fee and/o provide for netting of credit card fees between one or more interoperable agencies..

TSP shall reconcile amounts paid and amounts received with the transaction files and resolve any differences with the reciprocal agency.

TSP shall support the calculation of user fees as outlined in the User Fee Processing Agreement, credit card, and other cost settlement among CTOC agencies and shall prepare a monthly statement.

8.7.5 Funds Handling

TSP shall be responsible for all funds related to the Toll Operations.

TSP shall ensure that all funds are maintained in a secure fashion minimizing the risk of theft or loss.

TSP shall provide all services related to the handling of negotiable funds.

TSP shall provide and maintain any start funds necessary for the operation of the Walk-in Center locations.

TSP shall deposit all funds into the designated bank account for the applicable Agency within one business day of receipt.

TSP shall prepare all deposits in accordance with the applicable Agency's bank's preferred policies and procedures.

TSP shall provide for the secure method of delivery of funds to the bank.

TSP shall provide a secure location for the storage of negotiable funds awaiting transfer to the bank.

TSP shall reimburse the Agencies for any lost, stolen, or embezzled funds as provided in the Contract.

8.7.5.1 Start Fund

TSP shall provide the start fund required to make change with customers. TSP shall replace all shortage of funds and increase or decrease the start fund over the course of operations as becomes prudent and necessary.

8.7.5.2 Daily Reconciliation and Deposit

TSP shall perform daily reconciliation of funds and accounts. TSP shall report any reconciliation differences to Agencies. TSP shall prepare all funds for deposit at the close of business each day and make deposits daily. All funds shall be deposited within one business day of receipt or as approved by Agencies per the KPIs.

8.7.6 Accounts Receivable and Accounts Payable

TSP shall perform all Toll Services required to process toll and Transponder payables and receivables.

The TCS shall prepare invoices, post payments received and process payment of amounts owed and aging for each payable and receivable account.

TSP shall provide invoices via paper or electronic exchange according to the terms of each third party or retail agreement entered into by TSP.

TSP shall provide payment of receivables via check or wire according to the terms of each third party or retail agreement entered into by TSP.

TSP shall make payments and manage the receipt of payments according to the terms of the retail and interoperable agreements.

The TCS shall provide the capability for the reporting of each payable and receivable by partner, providing details contributing to any outstanding amounts and reconciling the payable ledgers to the associated general ledger accounts.

TSP shall manage any outstanding receivables due from interoperable and retail partners to ensure invoiced amounts are collected within 60 days from the date of invoicing.

TSP shall generate reports of each payable by interoperable partner and retail partner, providing details contributing to any outstanding amounts and reconcile the payable ledgers to the associated general ledger accounts.

TSP shall perform all customer refunds due to customer overpayment or designation of a refund being due and perform the escheatment of uncashed checks according to the applicable Agency's policies and Business Rules. TSP shall maintain proper records and manage the Escheatment process as approved by Agencies from start to finish, including advertising a Notice of Publication of Unclaimed Funds. TSP shall be responsible for providing the refund checks and initiating the transfer of funds from the pre-paid toll cash Account or the Violation Account in accordance with the Business Rules.

TSP shall prepare a monthly finance package for each Agency as agreed upon with Agencies within ten (10) calendar days of month end close. As agreed upon within four (4) business days of TSP shall prepare and post a journal entry to each of the Agency's accounting systems by either manual or automated means. In addition to the monthly close journal entry, TSP shall post weekly entries into each Agency's finance system as determined by the Agencies.

TSP shall prepare monthly invoices for Agencies for all Pass–Through Cost Items, which will be accompanied by sufficient support to substantiate the expenses. Invoice format shall be developed by TSP and approved by Agencies. Agencies will work with TSP to determine the portion of invoices to be submitted to each agency. Invoices shall be submitted to Agencies within ten (10) calendar days of MMR approval.

The TSP shall prepare a quarterly violation Accounts Receivable (A/R) collectability analysis for purposes of determining the Allowance for Doubtful Accounts, Bad Debt Expense, and projected violation revenue. The analysis shall incorporate collection performance data from both internal collection activities and all third-party collection agencies engaged on behalf of the Agency. The analysis shall include explanation of material changes from the prior quarter and prior fiscal year. The methodology used in the analysis, including recovery rate assumptions and historical periods utilized, shall be documented and consistently applied unless otherwise approved in writing by Agencies. The TSP shall submit the quarterly A/R analysis for approval within 20 business days of the end of the quarter.

8.7.7 Financial Institutions

If requested by an Agencies, TSP shall assist with the establishment of bank accounts required for the O&M Work. The bank accounts will be established in the names of the Agencies.

If requested by Agencies,, TSP shall be responsible for the transition of all accounts to a new bank should Agencies' banking relationship change.

If requested by Agencies, TSP shall establish a refund account which will be a zero balance account and funded by the source account of the refund.

If requested by Agencies, TSP shall account for all bank fees related to the back accounts within the general ledger system.

If requested by Agencies, TSP shall enter into an arrangement with the Agencies' bank for the processing of payments via Check 21 processes. All costs and equipment related to the Check 21 processing shall be paid by TSP at its expense in accordance with Contract Exhibit 7.

TSP shall enter into credit card merchant account/service agreements with all major credit card processors (MasterCard, Visa, Discover and American Express) and Agencies shall have the right to approve all merchant account/service agreements. Merchant account/service agreements shall be no less favorable than those offered to other customers. Agencies shall retain the right to contract directly for such services at any time.

Merchant account/credit card processing service agreements shall include automatic update of credit card expiration dates when available and other services intended to keep account information up to date.

TSP shall be responsible for all Equipment, set-up fees, subscription fees related to merchant accounts and credit card processing. Agencies shall be responsible for funding any credit card transaction processing fees netted by the credit card servicing company from the customer payment amounts. Fees shall be compared across at least three (3) merchant service providers and evaluated with input and approval by Agencies.

TSP shall be responsible for reconciling all financial institution accounts to the general ledger. TSP shall correct or resolve any reconciling differences prior to the following month's reconciliation.

8.7.8 Transition and Data Migration

TSP shall develop transition and data migration procedures that demonstrate full end to end validation and reconciliation of all account balances (customer accounts, interoperable agency accounts, collections, DMV, and general ledger accounts). TSP shall coordinate with Agencies and the 91 Express Lanes current vendors to seamlessly migrate financial activity and balances.

TSP shall reconcile all migrated data, including identifying balances by balance type from the source system (current 91EL system), appropriately mapping and migrating these balances and demonstrating that balances in the target system (TCS), net of any activities related to data cleansing, reconcile to the source.

TSP shall calculate and post beginning balances to the TCS general ledger. TSP shall reconcile beginning balances from the source system to the agencies' general ledgers and the TCS general ledger.

TSP shall calculate and perform cash transfers required as part of the data migration and transition plan.

TSP shall track and manage all payables and receivables that exist at the time of migration. The TCS shall escalate and correctly age these migrated balances.

TSP shall track and manage all customer prepaid balances, violations receivable, outstanding overpayments, outstanding refunds, interoperable agency, collections, DMV and other balances from the source system through the entire revenue cycle through to escheatment or write-off, as applicable.

8.8 Communications

TSP shall provide, at a minimum, the following communications functions during the O&M Term:

1) Public relations and media interaction – coordinate with Agencies in responding to media inquiries, staging and executing press events and carrying out a proactive media relations strategy;
2) Collateral material – Design, produce and update print and electronic collateral material related to Accounts and general toll facility information;
3) All customer correspondence (including statements, Violations, Account alerts and notifications) and marketing shall be approved by Agencies and be prepared by TSP's graphic designer;
4) The TSP shall include CTOC and Agency marketing materials or messages in the customer correspondence up to three (3) times per year and Customer Website at the direction of the Agencies;
5) TSP shall provide up to one (1) general correspondence mailing and one (1) general email correspondence each year to all customers at Agencies' direction;
6) Agencies shall provide approvals for all communications in advance of distribution or publication;
7) The TSP shall adhere to the proper use of logos as defined by license and trademark usage provisions in interoperability agreements;
8) The TSP shall adhere to proper use of the and FasTrak® related logos as defined by license or trademark agreements; and
9) TSP will not be responsible for customer communications through social media, though will be expected to coordinate messages through CSRs as appropriate.

9 TRAFFIC MANAGEMENT SYSTEM (RCTC Only)

9.1 General

TSP shall provide the Traffic Management System that shall manage the traffic for the I-15 ELs. To ensure the optimal performance of the ELs the Traffic Management System shall monitor and manage the traffic throughout the ELs 24/7. The Traffic Management System shall verify the functional status of the traffic management field equipment. In case of an equipment failure the Traffic Management System Software will identify and provide alerts to MOMS.

TSP shall conduct all Work necessary to meet the requirements to design, furnish and install the Traffic Management System. The primary purpose of the Traffic Management System is to collect and manage data to support incident management and to provide support to dynamic pricing, changeable message signing and allow the dispatch of towing and emergency management vehicles. The primary components of the Traffic Management System are the CMS, CCTV, speed detection sensors, and the Equipment installed at the traffic operation center (TOC).

The traffic management system shall communicate to the Host in real time to allow for the traffic data to be used by the Dynamic Pricing algorithm.

Each traffic management device shall have a unique IP address that identifies its location.

The Traffic Management System shall be capable of operating in a stand-alone mode if communications between the Traffic Management System and Host are down. Upon re-establishing communications with the Host, all back-logged messages shall be transmitted to the Host without affecting or degrading near real time lane operations.

TSP shall develop and operate a toll system real-time operator dashboard to collect and display real-time data from CHP CAD, 511, Department, Sig Alerts and other traffic condition providers such as private party data (e.g. Waze). The dashboard shall be web enabled by login with alert capabilities and filters.

The Traffic Management System shall be capable of storing all traffic information while in stand-alone mode for a minimum of seven (7) days using normal traffic data collection settings. The CCTV system shall store video for three (3) days.

TSP may incorporate supplemental alternative Traffic Management System devices in order to capture traffic queuing data in EL and GP lanes.

To the extent possible Traffic Management System devices should be collocated with ETC Equipment to share cabinets, power and communications infrastructure.

All TCS Equipment shall be purchased (not leased).

The TMS shall use the interface described in Section 7.3.9 and be available to RCTC for remote access.

9.2 Traffic Detection and Sensors (RCTC Only)

TSP shall furnish and install traffic detection, such as side fire radar, to be subject to final review during the D&D Phase. The traffic detection system shall be an out of pavement solution. The location and spacing of the traffic detection shall be determined during the D&D Phase, but will be approximately every one mile. The primary purpose of the traffic detection system is to obtain data for the pricing algorithm as well as general monitoring of the corridor. The traffic detection shall measure the traffic conditions in the ELs and all GP lanes with the following functionalities including, at a minimum, the following:

1) Detect traffic by lane in the ELs and all I-15 General Purpose Lanes at vehicle speed between 0 and 100 MPH;
2) If the sensors store time internally, they shall synchronize time with the Lane Controller or through the network to the same source as the Lane Controller within 1/100 of a second;
3) Ensure that the Traffic Management System can compute, store, and provide all required traffic parameter measurements per detector in user-selected time intervals from 30 seconds to 60 minutes, including 10 seconds, 20 seconds, 30 seconds, 60 seconds, 5 minutes, 10 minutes, 15 minutes, 30 minutes, and 60 minutes;
4) Provide a volume accuracy of greater than 95 percent per direction and 90 percent per lane for all lanes. Provide speed accuracy of +/- 5 MPH per direction and +/- 10 MPH per lane for all lanes;
5) Report at minimum the following in each lane:
    a. Speed,
    b. Volume
6) Work over barriers, guardrails, medians and gores;
7) Allow for remote configuration and have auto-configuration of lanes/detection Toll Zones;
8) Be capable of monitoring its health and communicate it to MOMS;
9) Transmit traffic data to the Host in time intervals approved by RCTC during the D&D Phase; and
10) TSP may incorporate supplemental alternative TMS devices in order to capture traffic queuing data in the EL and GP lanes at any potential bottleneck locations.

9.3 Changeable Message Signs (RCTC Only)

The TSP shall utilize changeable message signs (CMS) to convey travel information to motorists. The CMS signs may also display pre-approved messages from the Department. The CMS shall at a minimum:

1) Be approximately 306” x 80”;
2) Support 3 lines of text, 16 characters per line at 18”high; and
3) Be full matrix display.

The Work to be performed by TSP for the CMS includes:

1) Furnish three (3) full-matrix CMS and housings that utilize state-of-the-art LED technology that comply with all applicable standards, Governmental Rules, and requirements, are CA MUTCD compliant and subject to Department approval;
2) Provide equipment and Software that fully integrates the control and operation of each of the three (3) CMS with the TOC;
3) Provide failure mode monitoring and reporting for all CMS and related system elements at the TOC;
4) Furnish ground-mounted cabinets to house CMS controllers and other ancillary equipment at the roadside CMS Site;
5) Integrate and test the CMS at the roadside Site and at the TOC;
6) Design, furnish and install the equipment and Software required to monitor and operate the roadside CMS equipment; and
7) Provide TOC application and client servers to support the TCS.

TSP shall design and furnish the CMS, and the cabinets for the CMS installation. The CMS roadside subsystem shall communicate with the TOC using the Network Communications System. The cabinets installed for the CMS site shall contain the necessary communications equipment for the CMS to interface with the TOC. TSP shall furnish and install all cables and wiring between the CMS, the cabinets, and the power in accordance with Section 19.3.

The DB Contractor will design and construct the CMS site infrastructure to support the CMS, and install the equipment furnished by TSP. DB Contractor will design, furnish, and install CMS foundation and structures, conduits, splice vaults, pull boxes, power service cabinets, and the cabinet foundations at the CMS site in accordance with Section 19.3.

9.3.1 General Requirements

1) CMS shall be used to communicate ELs messages to motorist via full CMS. The CMS LED panels shall be managed by roadside CMS controllers that will communicate with the TOC to display pre-approved messages by EL operators.
2) TSP shall provide CMS LED panels that can display 18-inch high characters as required by the CA MUTCD.
3) The CMS shall comply with AASHTO “Standards Specifications for Structural Supports for Highway Signs, Luminaries and the section titled Dynamic Message Sign Assembly” and the Department requirements.
4) Each CMS controller shall have a unique IP address that identifies its location.
5) The CMS shall be NTCIP 1203v1 compliant.
6) The CMS with associated controllers and Software shall be capable of displaying CA MUTCD, the Department and RCTC approved text, graphical images and shapes. The CMS shall be able to display amber color to comply with the Department’s requirement at a minimum.
7) The CMS shall enable the CMS controller to report to the Host what is being displayed by interrogating the sign.
8) The CMS LED shall include a light sensor to measure the ambient light and adjust the intensity of the LEDs to be visible under all light conditions.

9) The CMS shall be capable of operating in a stand-alone mode if communications between the CMS and Host are down using pre-defined messages.

10) The CMS shall be capable of storing all displayed information while in stand-alone mode for a minimum of 30 days.

11) CMS controllers shall be located in weather hardened roadside enclosures to be specified, provided, installed and integrated by the TSP.

12) The CMS controller shall monitor its health and that of CMS subcomponents in order to report health diagnostic information and send alert messages to MOMS.

13) During the D&D Phase TSP shall provide details on how to handle the coordination with the SR-91 CMS and nearby Department CMS to avoid excessive signage information that may cause confusion to the motorist.

14) In the event the CMS is used for travel time or road incident information, the TSP shall provide details on coordination with the Department CMS, and provide consistent information.

15) Subscription based wireless backup communication shall be provided for each CMS. The wireless backup shall consist of a system compatible wireless modem, antenna and power supply.

16) Each CMS shall be equipped with an Ethernet switch to facilitate the switching from the primary fiber-optic communication channel to the backup wireless circuit.

The TSP shall coordinate with DB Contractor on the power service connection and design of the support structure for the CMS. The TSP shall review DB Contractor's designs of CMS site infrastructure during the design review process to confirm the design and locations of all components.

9.4 Closed Circuit Television System (RCTC Only)

CCTV is used by the EL operators for monitoring, verification, security, and management of the EL. CCTV facilitates EL operators in responding to road incidents. TSP shall design, furnish and install a CCTV system to support the traffic management operations at the TOC. The Traffic Management System shall incorporate a series of CCTV cameras to monitor the movement of traffic within the ELs and allow the TOC to respond as appropriate to incidents within the ELs. CCTV video cameras will be mounted throughout the ELs to provide continuous video feed of current traffic conditions and alert operators to incidents. Video analytics shall supplement the TCS operations when operators are not monitoring the video displays.

9.4.1 TSP Responsibilities

TSP shall be responsible for the following at a minimum:

1) TSP shall provide a CCTV system for the purpose of remotely viewing the EL facility in real time, including upstream and downstream of the Corridor;

2) TSP shall provide CCTV cameras with full color, provisions for PTZ, and with optical and digital zoom. The cameras shall be capable of showing legible images of the Variable Toll Message Signs in all light conditions.

3) TSP shall provide an interface that provides for the selection and control of CCTV cameras for the viewing of live streaming video;

4) TSP shall review DB Contractor's line of site surveys and proposed locations;

5) TSP shall coordinate with DB Contractor on service and power connections. TSP shall be responsible for running power/data connections from the power/data equipment enclosure(s) to TSP installed equipment;

6) TSP shall coordinate with DB Contractor on items that require DB Contractor's input and which may impact on the cost, operation, maintenance, system performance and accuracy of the Toll Services with the oversight from RCTC;

7) TSP shall not disrupt the existing CCTV video surveillance functionality in the Corridor area except with prior written approval of the Department and RCTC;

8) TSP shall provide a direct CCTV feed to the Department through the Network Communication System; and

9) TSP shall provide a video distribution server.

9.4.2 CCTV System Requirements

The CCTV System shall meet the following requirements at a minimum:

1) The TSP shall provide CCTV cameras with full color, provisions for pan, tilt and zoom (PTZ), and with optical and digital zoom. The cameras shall be capable of showing legible images of the VTMS displays in all light conditions;

2) The CCTV System shall support up to 30 concurrent streams;

3) The CCTV system shall allow for the remote view of traffic conditions in the EL and GP lanes and verify Variable Toll Message Sign displays and CMS displays;

4) The CCTV system shall allow for the assignment of user rights (e.g., view only or view and control) by log in;

5) The CCTV system shall provide preset camera PTZ location setting capabilities and the ability to exclude views (i.e. ensure that a camera cannot pan into someone's backyard);

6) All externally mounted or installed components of the CCTV system (brackets, enclosures, cabling, connectors, etc.) shall be appropriately sealed and/or enclosed such that they will operate continuously and will provide legible images of the lane(s) under all-weather/lighting conditions;

7) The CCTV system shall report CCTV subcomponent messages to MOMS and log diagnostics;

8) The CCTV system shall have the ability to prioritize which users have control of any given PTZ camera;

9) The CCTV system shall include the ability for managing CCTV bandwidth usage; and

10) Each CCTV device controller located roadside shall connect directly to and through the Host.

The video analytics system shall at a minimum:

1) Detect incidents anywhere along the Express Lane with CCTV system, including; stopped vehicles, objects in the Lane, pedestrians, wrong-way vehicles, slowed traffic, congestion, and fire/smoke;

2) Utilize the PTZ cameras, day and night, regardless of weather conditions;
3) Automatically send an alert, via multiple electronic formats i.e. email, sms, etc., to designated user(s) when an incident is detected;
4) Automatically record video before and after a detected incident occurs;
5) Be Configurable to allow the user to set up specific incident thresholds for notifications including configurable parameters for time of day and day of the week;
6) Be Configurable to work with multiple camera presets;
7) Provide real time data collection and reporting including; traffic speed, vehicle counts, Lane occupancy and flow rate;
8) Create and alarm on the operator GUI;
9) Perform video analytics on a centralized server to allow for scalability,
10) Tuning and maintenance throughout the duration of the contract; and
11) Save all data to the Data Mart for reporting.

The CCTV interface shall at minimum:

1) Allow viewing of multiple CCTV cameras simultaneously;
2) Provide capabilities to control the PTZ functionalities of the cameras;
3) Provide capabilities to record and play back video feeds; and
4) Allow remote viewing and control of the cameras from offsite locations

9.4.3 Coordination with DB Contractor (RCTC Only)

DB Contractor will design, furnish, and install foundations and poles for all CCTV cameras. As part of the DB Contractor's design work, DB Contractor is responsible for identifying the CCTV camera locations and spacing in accordance with the following criteria:

1) Provide full coverage of the ELs within the planned right-of-way limits;
2) CCTV cameras must not be located within the median of the roadway;
3) Locate cameras between interchanges with other overcrossing roadways, to allow monitoring under structures; and
4) Place cameras in a location that doesn't require a lane closure to safely maintain the camera where possible.

TSP shall review DB Contractor's designs during the design review process to confirm the locations and pole heights for each camera location. TSP shall furnish a NEMA 3R cabinet to be installed by DB Contractor on the camera pole.

DB Contractor will provide all electrical power at the CCTV camera site, providing 120 VAC service at each site. The power service cabinet will be provided at the CCTV camera site, and will contain a transformer, main disconnect switch, and load circuit breakers for circuit protection in accordance with TSP's Infrastructure Requirement.

TSP shall furnish and install all cables and wiring between the camera, the NEMA 3R cabinets, and the power service cabinets.

9.5 Traffic Operations Center (RCTC 15 EL)

TSP shall provide the TOC that will be utilized by TSP TOC staff to view the Corridor traffic in real-time, and to review recorded/historical video data. The TSP shall design, furnish and install all of the Equipment and Software required to implement the TMS to monitor and control all the roadside TMS Equipment and systems on the ELs and at the TOC. The TMS shall provide the TOC operator with the capability of viewing images from all CCTV cameras. Large screen monitors shall be located in the TOC where the operator can display a specific camera or where the host computer upon receiving an alarm will trigger an indication on the operator's console and automatically display the nearest camera. The TOC operator shall have direct control of the PTZ features of all CCTV cameras to scan and observe activity. The Traffic Management System shall provide split screen capability for all monitors.

9.5.1 Video Wall

TSP Operators at the TOC shall be able to display all real time CCTV camera images and TMS generated graphics (i.e. situational awareness displays, including: roadway schematics, traffic conditions, and toll rates; map displays and User selected GUI displays) as controlled from operator workstations.

The video wall shall include at a minimum 4-55" LCD monitors with 1020p resolution and all necessary brackets and mounting equipment.

9.5.2 TMS Workstations

TSP shall provide all computer workstations, peripherals, and monitors as defined during the D&D Phase to allow TSP to efficiently operate the ELs.

9.5.3 Network Connectivity

TSP shall provide local area network connectivity between video wall, workstations, peripherals, and the Communication Network.

9.6 15 Express Lane Operations/Traffic Operations Center (91 EL TOC refer to Section 20)

The TSP shall staff operators to oversee daily operations of the ELs. The hours of operation are 5:00 a.m. to 9:30 p.m each day, Sunday through Saturday.. Overnight hours, from 9:00pm to 5:30am, and weekend hours, 9:00pm Friday through 5:00am Monday, are staffed remotely by operations personnel The overnight hours primary focus pertains to managing closure incidents, performing rate verification, asset/equipment checks, and incident management. The TSP shall provide on-call staff or automated solutions, outside the hours of operation, to perform changes to the lane system mode of operation, the CMS and the VTMS. Any change in hours is subject to the Change Order process per Contract Section 20.

The TSP shall coordinate and interface with several other agencies, including RCTC staff and TSPs, The Department District 8 TOC operators, The Department District 8 maintenance, FSP, SR-91 Operations and CHP.

9.6.1 General Requirements

TSP shall provide support to all relevant parties during system malfunctions and other escalated events per the SOP.

TSP shall manage EL Operations staff – hire, remove, discipline, schedule, train, and provide them the necessary tools and instructions to operate efficiently.

TSP shall coordinate with CHP, the Department's maintenance department, ROC Operations, RCTC and consultant staff during special events and when otherwise required.

TSP shall create and provide updates to SOPs for TOC functions. SOPs shall be submitted to RCTC 90 days before the CSC Commencement Deadline per Section 2.10.1. The TSP shall annually update the SOPs and keep a running list of changes to SOPs. Annual updates to the SOPs shall be reviewed and approved by RCTC.

TSP shall monitor and evaluate operator performance, and coordinate with RCTC staff on monthly audits.

TSP shall develop emergency staffing plans.

TSP shall ensure operations staff coverage during planned and unplanned operator absences.

9.6.2 Operations Requirements

The TSP shall, at a minimum, perform the following tasks as part of its O&M Work:

1) Perform incident management of the ELs and support incident management in the general purpose lanes.
2) Field real-time traffic and toll rate inquiries by others, e.g. RCTC management, CSC.
3) Coordinate with CHP on requests to change display messaging and system operations (e.g. displaying and placing system into, "HOV-Only"), planned lane closures, special events and other field coordination activities.
4) Coordinate with the Department's traffic incident management program, communicating changes that could impact general purpose lane operations, including planned lane closures.
5) Monitor toll rates, roadway and traffic conditions, and dynamic pricing using system tools, CCTV feeds, toll system real-time operator dashboard, CHP CAD, 511, and Department Sig Alerts and other traffic condition providers such as private party data (e.g., Waze).
6) Perform rate adjustments and manual pricing overrides per SOP.
7) Traffic incident response: Perform manual overrides and change VTMS and CMS signs as appropriate.
8) Monitor TCS maintenance alerts and report any issues to the appropriate party (RCTC, TSP maintenance, etc.).
9) Assist with TCS troubleshooting and diagnostics.
10) Conduct Incident Management workshops with Department, CHP, FSP and other local agencies.
11) Coordinate with FSP to identify disabled vehicles or debris in the express lanes.
12) Fulfill other duties, as will be defined in the SOP.

9.6.3 Systems Checks and Maintenance

TSP shall, at a minimum, perform the following systems checks and maintenance as part of O&M Work:

1) Monitor TCS maintenance alerts and report any issues to the appropriate party per the SOPs (RCTC, TSP maintenance, etc.). MOMS should have already alerted most parties. The express lanes operators will act as a back-up for notification.
2) Monitor performance on non-TCS roadside maintenance activities by the Department or RCTC TSP on the EL to ensure no impacts to EL operations, e.g. sweeping, litter pickup, etc. Coordinate with RCTC maintenance staff if issues persist.
3) See "Data Analysis" section below, on documentation and reporting of TCS maintenance issues.

9.6.4 Coordination/Other Assignments

TSP shall coordinate with other entities as part of O&M Work, including but not limited to:

1) Coordinate with CHP and FSP on their efforts to provide enforcement and incident management.
2) Assist with TCS data analyses/research questions from CSC.
3) Manage user requests for TCS login credentials.

9.6.5 Data Analysis

The TSP shall perform the following data analysis as part of O&M Work, including at a minimum:

1) Create trend analyses for daily operations and prepare incident summaries.
2) Review and approve TSP performance monitoring reports, including penalty calculation, and ensure compliance with requirements of the Contract and KPIs, including field maintenance activities such as response and repair times.
3) Create TSP performance monitoring trend analysis.
4) Coordinate data and analysis QA/QC, including verifying data accuracy and historical trends.
5) Verify historical rates are being updated and pushed out to the Lane Controller.

10 REGIONAL OPERATIONS CENTER

10.1 General Description

The ROC will be the operations center for the Express Lanes and will house the centralized functions necessary for the O&M Work. The ROC will be located in a single facility that is capable of supporting all operations and maintenance functions associated with the ETC System, TMS, CSC System, Communications Network and MOMS. The location of the ROC will be in close proximity to the Express Lanes to facilitate ease of access for customers.

The ROC facility will be acquired by RCTC and RCTC will facilitate all building improvements necessary to support the requirements supplied by TSP and agreed upon by RCTC. TSP shall be responsible for furnishing and installing all Equipment, furniture and other items necessary for daily operations in the ROC. A detailed demarcation of responsibilities between RCTC and TSP with respect to the build-out of the ROC is presented below in Section 10.2.

It is RCTC's intent to co-locate all of the centralized components of the TCS in the ROC. However, RCTC may, in its sole discretion, consider solutions that are hosted offsite if presented as an alternative which may result in cost savings or improved operations. All items to be provided by TSP for the ROC will be owned by RCTC.

10.2 Facility Buildout (This work has been performed but is retained for purposes of establishing responsibility between RCTC and TSP)

The build-out of the ROC will be accomplished by RCTC in cooperation with the TSP as described below.

10.2.1 RCTC ROC Responsibilities

RCTC will obtain the ROC facility space, including all permits, and perform commercial facility improvements as described in this Section 10.2.1. The improvements to be provided by RCTC are generally expected to include interior remodeling (walls, floors, partitions, doors, etc.) as well as electrical, mechanical, plumbing and accessibility improvements. These improvements will be based on the preliminary ROC facility requirements specified as a deliverable to be provided by the TSP as part of the TCS Infrastructure Design Document described in Section 4.2.

RCTC will also provide a communications connection from the Express Lanes to the ROC.

10.2.2 TSP ROC Responsibilities

The TSP shall submit preliminary ROC facility requirements to RCTC as part of the TCS Infrastructure Design Document described in Section 4.2. After the ROC facility is acquired and facility improvements are completed by RCTC, the ROC will be turned over to the TSP for completion of the build-out.

The TSP shall furnish and install all FF&E, workstations and other materials as necessary to operate the ROC. This includes all labor necessary to procure, transport, install, configure and test the ROC items furnished by TSP.

10.2.3 Facility Build-out Demarcation

Table 10-1 below shows the general demarcation of responsibilities for build-out of the ROC.

Table 10-1: RCTC vs. TSP ROC Buildout Responsibilities

Category	RCTC Provided	TSP Provided
Architectural Enhancements	• Provides all facility architectural modifications, e.g. construction of walls, hard partitions, painting, lighting, doorways etc. • Develops architectural plans for facility modifications or building construction	• Provides facility system requirements and facility floor plan diagrams for input to the architect.
HVAC	• Furnish and install central HVAC systems for all parts of the facility, including the additional HVAC and backup HVAC systems for the computer rooms.	
Signage	• Design, furnish and install wayfinding signage to the ROC facility, e.g. signs on nearby arterial streets. • Design, furnish and install signage on the side of the building, e.g. ROC/RCTC Logos and door decals.	• Furnish and install informational signs on the ROC Visitors Center entry, e.g. information on office hours.
Parking and Outdoor Furnishings	• Furnishes and installs parking lot and lot striping. Includes parking for tow trucks and maintenance vehicles. • Furnish and install outdoor landscaping, lighting and other outdoor furnishings.	
Furniture		• Furnish and install desktop computers and laptops. • Furnish and install office printers, copiers, scanners, mail and fax machines. • Furnish and install ROC furniture and operator Consoles. • Furnish and install general office furniture and cubicle systems. This includes lobby and walk-in center amenities • Furnish and install kitchen appliances (refrigerator, microwave, coffee machine). • Furnish and install lockers.
Storage		• Furnish and install storage rack for Transponders, supplies and mail.
Computer Room		• Furnishes and installs all computer racks and bracing (e.g. earthquake mounting).

Category	RCTC Provided	TSP Provided
Communications	• Furnish and install the communication network from the ROC to the tolling sites.	• Furnish and install outside telephone and internet access connection into the building, i.e. TSP arranges for necessary AT&T circuits into the building. • Furnish and install facility phone system. Includes physical phones, PBX and/or Voice over Internet protocol (VOIP) servers.
Electrical and Cabling	• Furnish and install all electrical power circuits and outlets/receptacles, including the computer rooms. • Furnish and install all standard electrical, telephone, LAN, video and specialty cabling within walls and other duct work, and fiber. • Furnish and install fiber optic cable into the building computer room. • Provide electrical generator for entire facility, including power for computer room. • Furnish and install all standard network and telephone outlets/receptacles. • Furnish and install conduits, ductwork and raceways for general office use. Excludes computer room raceways.	• Furnish and install overhead cable tray system. • Furnish and install computer room UPS systems.
Security	• Furnish and install general building access control and monitoring systems, i.e. front door card key access of the building.	• Furnish and install CCTV security cameras. • Furnish and install ACAMS for those rooms that need to be secured, e.g. computer rooms, transaction processing, etc. • Furnish and install panic buttons in secure areas. • Furnish and install externally monitored facility security system, e.g. ADP.
Video Wall	• Furnish and install bracing/backboard system for video wall.	• Furnish and install video wall mounting brackets. • Furnish and install Video Wall Monitors and video wall system in ROC. • Furnish and install flat panel monitors for other parts of the facility, e.g. conference rooms.

10.3 Physical Characteristics

The ROC will be a single facility in close proximity to the Express Lanes capable of housing all the centralized functions associated with the O&M Work and the CSC Commencement Period Services. Specifically, the ROC will be capable of supporting the Host systems, workstations, monitoring equipment and personnel to operate and maintain the ETC System, CSC System, TMS, Communications Network and MOMS. The TSP shall provide adequate requirements for the layout and configuration of the ROC to aid in the facility selection process and the design of facility improvements.

RCTC will provide TSP with approximately 8,000 square feet of space in the ROC. Additional space required for storage of spare parts, transponders, mail supplies or maintenance activities that cannot be accomplished at the ROC will be furnished by RCTC, limited to 2,000 square feet. The storage facility will have drive-in access and a locked gate for the storage of TSP maintenance vehicles. The layout and configuration of the ROC shall comply with all applicable building and fire code requirements. Facility improvements to be provided by RCTC will ensure sufficient space, accessibility, electricity, communications, mechanical and plumbing requirements are met for the ROC. The square footage will be adjusted based on the TSP facility use plan to be provided with the amendment proposal. At that point the TSP and RCTC will determine what improvements are required and assign the responsible party. The requirements will be updated following that discussion.

Table 10-2: ROC Elements

ROC Element	Requirements/ Considerations	Security Camera	Secure Access
Walk-In Center	First floor access meeting ADA standards	Yes	Yes
Call Center	Ability to group in teams; noise environment considerations; cubes	Yes	Yes
Traffic Operations Center	Video Wall/high ceiling preferred (15' to 20')	No	Yes
RCTC Staff Offices	Separate, enclosed offices located together	No	Yes
TSP Administrative Offices	Located together	No	Yes
TSP Administrative Cubes			
Conference Room(s)	Audio/visual capabilities for teleconferencing	No	No
Mail Room	Noise and dust control	Yes	Yes
Printer/Copier and Office Supply Closet		No	No
Restrooms		No	No
Kitchen/Breakroom		No	No
Payment Processing/Mail Processing	Work tables; ideally within the warehouse	Yes	Yes
Computer Server /Data Center	A/C and Humidifier; Communications connections	Yes	Yes
Parking	Compliant with ADA standards; Sufficient space for customers, employees, maintenance vehicles	Yes	No
Warehousing (transponders, spare parts, channelizers, signs, mail supplies, customer materials)	Double wide door, ground floor access, concrete or tile flooring, work space for transponder testing and packaging; mail processing; correspondence printer	Yes	Yes

10.4 Facility Management and Operations

The TSP shall be responsible for the operations of all activities that are to take place at the ROC, the maintenance of all FF&E provided by the TSP, and the payment for all services required by these TPs.

RCTC will be responsible for the ongoing provision of the building, including cleaning/janitorial, repair and maintenance of the building, and payment of basic utilities.

TSP acknowledges and agrees that available parking at the ROC will be limited. To the extent practicable, TSP shall use its best efforts to encourage the use of public transportation, ride-sharing, the use of shuttle buses or other pooled-means of transportation to and from the ROC.

TSP shall work in conjunction with RCTC to provide and administer a carpool / rideshare incentive based program for TSP staff from the CSC Commencement Date.

Within 6 months of CSC Commencement Date TSP shall use best efforts to achieve a 25% (1 out of every 4 employee) reduction in TSP employee vehicles on-site at the ROC.

RCTC's commuter assistance staff will be available to assist the TSP with the development of a successful carpool / rideshare incentive based program.

10.4.1 Facility Condition

TSP shall maintain the ROC in good and serviceable condition at all times and be responsible for day-to-day operations. RCTC and the TSP will participate in a facility condition survey prior to and at the completion of occupancy of the ROC. If office spaces or FF&E are destroyed, damaged, or stolen, except when such damage is a direct result of willful misconduct of RCTC, the TSP must, at its cost and within 15 days after the occurrence of such damage, repair those items to their original condition or replace them. However, in the case of lost, damaged, or stolen office equipment (e.g., computers, printers) necessary for normal office operations, replacement will occur within two Business Days.

10.4.2 Access and Security

TSP shall institute stringent security measures to prevent unauthorized access to the ROC and shall be responsible for the physical security of the ROC and all property within it. TSP shall utilize all necessary security measures and devices, such as site access controls, safes or vaults, surveillance cameras, environmental controls, data security, inventory security, software security, and internal controls that will safeguard the TSP's operations, including money and other assets located at the ROC facilities. In addition, TSP shall provide adequate security practices for the receipt, storage, and transfer of money.

11 COMMUNICATIONS NETWORK (RCTC Only)

11.1 General Requirements

The Communication Network shall serve as the backbone for communications for the TCS. The infrastructure of the TCS communication system is largely the responsibility of DB Contractor in accordance with the Demarcation Table in Section 19.3. The DB Contractor will install and test fiber-optic conduit and fiber-optic cables. The TSP shall be responsible for all fiber optic connections to field devices, including all switches. The TSP is responsible for the communications systems within the ROC. The TSP shall be responsible for coordination with DB Contractor and to provide bandwidth needs and the logical communication system design. The TSP is responsible for operating and maintaining the Communications Network. The TSP shall perform an end to end test of the fiber installed by the DB Contractor prior to operating and maintaining.

TSP shall furnish all required network electronics, software, cables, and components necessary to support communications per Section 19.3.

If leased lines are required to complete the Communication Network for the I-15 EL to the ROC, RCTC will be responsible for payments of the lease line.

The following requirements apply to the portions of the Communications Network that are the responsibility of the TSP per Section 19.3.

11.1.1 Fiber-Optic Cable

The TSP shall furnish, install, and test all underground and outdoor single mode fiber-optic (SMFO) cables and cable terminations.

SMFO cable shall meet or exceed all TIA/EIA standards applicable to fiber optic cables and fiber optic terminations.

SMFO cable length shall be appropriate for each installation and provide additional spare length for service loops.

The SMFO cable shall be of type and quality to support the implementation of optical wavelength division multiplexing.

SMFO pigtails shall be provided with appropriate factory-assembled connectors on one end.

Fiber cable specifications shall be further developed as part of the design stage and all materials and quantities shall be approved by RCTC. The TSP shall provide 100% spare fiber capacity or 24 spare fiber strands, whichever is greater.

TSP shall furnish, install and test SMFO drop cable that meets the material requirements described above for single mode fiber-optic cable.

11.1.2 Fiber-Optic Splice Centers, Splice Interconnect Centers and Interconnect Centers

The TSP shall furnish and install compact, modular fiber-optic interconnect centers, fiber-optic splice enclosures, housing and all necessary hardware.

Specifications for splice center, enclosure, interconnect centers and all necessary hardware shall be further developed as part of the design stage and all materials and quantities shall be approved by RCTC.

The TSP shall use fusion splicing methods and materials. No mechanical splicing shall be used by the TSP.

11.1.3 Ethernet Cable

The TSP shall provide Category 6 Ethernet cable that complies with American National Standards Institute (ANSI)/TIA standards.

Outdoor Cable shall be shielded, outdoor-rated and have an ultraviolet light (UV)-resistant jacket.

11.1.4 Patch Panel

The TSP shall provide patch panels to terminate all Ethernet cable plus 100% spare.

Patch panels shall have write-on areas for port and panel identification. The patch panels shall be designed for Category 6 cable and shall meet TIA/EIA-568-A-5 Category 6 and ISO 11801 Class D standards.

11.1.5 Ethernet Communications Hardware

The Hardware shall at a minimum:

1) Provide management of each Ethernet communication device individually and as a group for switch configuration, performance monitoring, and troubleshooting;
2) Be fully compatible and interoperable with the trunk Ethernet network interface;
3) Support a virtual chassis configuration (i.e., stacking);
4) Provides Simple Network Management Protocol (SNMP), Remote Monitoring (RMON), switch monitoring (SMON), or the Trivial File Transfer Protocol (TFTP) and Telnet interface support;
5) Network Time Protocol (NTP) for an accurate and consistent timestamp;
6) Support port mirroring for troubleshooting purposes when combined with a network analyzer;
7) Support of remote and local setup and management via console port, telnet, secure shell (SSH) and secure Web-based GUI;
8) Provide local and centralized Authorization Authentication Accounting (AAA) for user authentication; and
9) Utilize RADIUS remote access services.

11.1.6 Network Management Software

The Network Management System (NMS) software shall provide a secure, simple, intuitive interface to the network administrator for monitoring and maintenance of the network.

The TSP shall furnish and install NMS software that shall provide global and device specific configuration and protocol management, troubleshooting and root-cause analysis, security, and system performance and health monitoring for the communications network.

The NMS provide network alarms and health status to MOMS.

The NMS shall be web-based. Any database software that is required to support the NMS shall be included as incidental with the NMS software.

The NMS shall provide centralized AAA for user authentication.

The NMS shall provide multi-level or role-based access control.

The NMS shall utilize active directory for access control.

Layer 2 / 3 network discovery shall be provided with licenses for up to 100 switches. These switches shall allow for automated network discovery and mapping capability

NMS shall provide functions to capture, modify, print and save and restore running configurations on all TCS network communications device.

The NMS shall provide functions to update and roll back firmware to all TCS network communications devices via TFTP and additionally, any of the following:

1) Secure File Transfer Protocol (SFTP)
2) SSH
3) Hypertext Transfer Protocol Secure (HTTPS)

12 SECURITY AND ACCESS CONTROL

As a revenue collection system, it is critical that the systems, data, and physical locations of all TCS components are appropriately protected against unauthorized access.

TSP shall secure and protect all personally identifiable information (PII) to which it has access in connection with the Toll Services in accordance with the terms and conditions of the Contract. Among other requirements, TSP shall not disclose, distribute or make available to any third party the names, addresses, or any other PII of Account holders or customers without their express consent except as required to comply with Governmental Rules or legal processes served on OCTA/RCTC. Appropriate security measures shall be implemented and demonstrated to the satisfaction of Agencies to assure the integrity of Agencies' data and PII policies.

TSP shall secure all data received from the DMV in accordance with DMV policies and procedures.

12.1 System and Data Security

Access to all data shall be limited to authorized personnel including Agency, and TSP personnel, and shall be password controlled. The access control shall apply to all applications using the TCS. Each user shall have only one user ID and one password for access to any part of the TCS to which she/he is authorized. This ID and password shall protect the user interface, the command line and database access.

Access control privileges shall be role-based and use active directory groups, group membership and group permissions to control user access to configuration parameters, GUI, reports, and other functionalities as determined during the D&D Phase. TSP shall develop an access level matrix during the D&D Phase.

The TCS shall require passwords to be changed periodically. The TCS shall be configurable so that the period may be changed without additional programming. Password challenge, authentication, length, reuse and expiration shall be incorporated. The use of encrypted hard drives is encouraged.

The application authentication shall be mapped into the operating system and not placed inside an individual application.

All Host, network electronics and Software shall be free of all known security vulnerabilities, worms and viruses. The TCS shall incorporate industry standard antivirus Software.

The TCS shall provide network security including, segment based access control, and stateful packet inspection and filtering of authorized source and destination IPs, protocols and protection against attacks to the TCS.

TCS shall comply with security requirements of the DMV for the vehicle registration look up.

12.2 Security Audit

The TCS shall at a minimum:

1) Provide interim and final audit reports including a list of deficiencies;

2) Provide audit and accountability control functions. Enable security event logging, collection, storage, and monitoring;

3) Implement the information collection and reporting processes for detection, analysis, and response to security incidents and events;

4) Implement secure storage of audit logs, collect machine state and system usage information, and all items required for forensic investigations; and

5) Provide audit logging features for tracking database activity which includes but is not limited to read, write, and modify (each record shall include (at minimum) a time stamp, the activity, the result, and requester).

12.3 Physical Security

TSP shall provide a detailed security access plan detailing access requirements, badges, protocol, and video surveillance. A security access control system shall be utilized that will monitor and record all access to secure locations. Access to computer equipment shall be restricted and only authorized personnel shall be allowed to enter the computer rooms. All cabinets and housings installed will be access controlled using keys/locks. All cabinet and enclosure keys shall be unique to the TCS and not interchangeable with the Department key sets. Access to Lane Controller, VTMS, TMS, CCTV, and ROC cabinets shall be recorded automatically and transmitted to the MOMS. Pull boxes shall be secured.

12.4 Personally Identifiable Information

The CSC System shall protect the integrity and confidentiality of all personally identifiable information (PII), customer records and data on the CSC System at all locations. TSP shall not disclose PII. TSP shall comply with both Ageny’s Privacy Policy and current Governmental Rule.

12.5 Payment Card Industry Security Standards

The TSP shall comply with all requirements of the current PCI DSS version and individual payment brands.

The TSP shall provide the necessary procedures and system security features to ensure that the TCS is PCI DSS compliant. The credit card readers shall have PCI DSS encryption within the readers such that the remainder of the TCS is isolated from credit card personal data.

The TSP shall provide the policies, system features, assessments, reviews, scans, and audits required for the TSP's designated PCI Level.

The TSP shall have an annual PCI DSS Assessment performed by a qualified security assessor.

The TSP shall provide Agencies with the results of the annual PCI DSS assessment and a plan for correcting any items of deficiency or non-compliance.

The TSP shall notify Agencies of any actions or events that are non-compliant with the TSP's own policies, or those of PCI DSS or the payment brands within four (4) hours of initial discovery.

12.6 DMV Security Standards

The TSP shall comply with all requirements of the CA DMV regarding storage and use of registered vehicle owner information. The TSP shall utilize the established DMV user access codes assigned to the RCTC 15 EL, RCTC 91 EL and OCTA 91 EL.

13 MAINTENANCE ONLINE MANAGEMENT SYSTEM (This section applies to all systems including the RCTC Only TCS and ETC systems)

13.1 MOMS Functionality

TSP shall provide a fully integrated MOMS application that automates the tracking and reporting of work orders, alarm messages, equipment inventory, equipment and network health. The MOMS shall support configurable alarm priorities, as well as maintenance personnel tracking, paging and assignments. Critical alarms shall contact the maintenance personnel on duty. The MOMS shall be able to contact multiple people for a given alarm.

The MOMS shall track information related to Priority O&M Events, response, repair and total down times associated with work orders.

The MOMS shall include all elements of the TCS including the ETC system, TMS systems, CSC system and the Communication Network.

In addition to TSP's self-monitoring and reporting process, Agency personnel and the Agency Representatives shall also be entitled to identify Noncompliance Events and other Event Transactions, and document such events directly into MOMS.

13.2 Alarms and Alerts

The TCS shall provide a wide variety of system alarms and alerts, as well as system administration of alarms/alerts. TSP shall develop these alarms in compliance with RCTC's specific design specifications, including prioritization and management, to be developed during the D&D Phase.

TCS alarms and alerts shall include:

1) Preventive maintenance program – define and track preventive maintenance program activity, costs and system performance results;

2) Supplier information – company name, contact person name, company address, telephone number(s), fax number(s) and email address;

3) Equipment inventory – part or component supplier, location, serial number, purchase date, price, date placed into service, warranty expiration date, RCTC asset number and part/component identification;

4) Error detection;

5) Equipment conditions; and

6) Logical conditions/Business Rule exceptions.

13.3 Work Orders

Automated and manual work orders shall be supported by the MOMS. The automated work orders shall be generated for scheduled preventive and predictive tasks as well as for alarms generated by equipment. The MOMS shall require that any updates to the maintenance work order, alarm response, and maintenance activity be appended to the ticket with a searchable date and time stamp to record the entire history of the activity.

13.4 Asset Inventory and Tracking

The inventory portion of the MOMS shall track equipment and spare parts and shall generate automated messages when warranties are nearing expiration or when levels of spare inventory reach a configurable minimum threshold.

Inventory information shall include at a minimum:

1) Supplier information – company name, contact person name, company address, telephone number(s), fax number(s) and email address;
2) Location;
3) Serial number;
4) Purchase date;
5) Lead time;
6) Price;
7) Date placed into service;
8) Warranty expiration date;
9) RCTC asset number and part/component identification; and
10) Consumable inventory – traffic light bulbs or other items that are ordered in bulk and do not have an individual serial number.

Issuance of items from inventory shall be made under specific work orders in accordance with a work order system to be reviewed and approved by RCTC in accordance with the Submittal Process. TSP shall provide Notice to RCTC when shipments of spare parts are received so that RCTC may verify and approve that the Spare Parts have been received and properly entered into the MOMS. Within 10 Business Days of Notice by RCTC, TSP shall complete physical inventory of such items at the Site or the approved warehouse facility (as applicable), and shall provide a report thereof to RCTC, together with a reconciliation to the preceding such report.

13.5 Noncompliance O&M Events (O & M Events apply to the RCTC 15 and 91 ETC systems and the RCTC/OCTA BOS. All requirements related to the BOS will involve both OCTA and RCTC)

TSP shall, upon becoming aware of any Noncompliance O&M Event, track the Noncompliance Event within the MOMS including:

1) Describing the Noncompliance O&M Event in detail;

2) Identifying the applicable priority level as defined in Section 16.16 along with Response Time and Repair Time for each Priority O&M Event;

3) Reporting on status of the Response or Repairs (as applicable) for each Priority O&M Event; and

4) Identifying any Performance Liquidated or Performance Stipulated Damages that should be assessed for each Noncompliance O&M Event.

Each Response Time or Repair Time for a Priority O&M Event commences upon the earlier of the time the Priority O&M Event:

1) Is reported to the MOMS system; or

2) Should have been reported to the MOMS system if TSP was complying with its obligations under the Contract.

A Priority O&M Event which is incorrectly classified may be reclassified with the approval of the Agency Representatives, and such approval will not be unreasonably withheld.

If a Priority O&M Event is reclassified, any applicable Performance Liquidated or Performance Stipulated Damages will be re-calculated and the Performance Liquidated or Performance Stipulated Damages will be reapplied accordingly.

Each Response Time and Repair Time runs concurrently.

Subject to Section 16.16 where there is a Priority O&M Event, TSP must:

1) as soon as practicable:

    a. establish the nature, location and cause of the Priority O&M Event;

    b. provide the applicable Agency Representative with details of the action (if any) taken, any work required and estimated time to complete it and limitations that this may impose on any Lane or the performance of the O&M Work;

2) take all necessary actions to Respond to the relevant event within the Response Time;

3) Repair the Priority O&M Event as soon as reasonably practicable in all circumstances, and in any event within the Repair Time allowed for Priority O&M Event, using methods which are consistent with this Contract, Good Industry Practice and in accordance with Governmental Rules;

4) minimize the disruption to the O&M Work during any Response or Repair; and

5) notify the applicable Agency Representative and update the MOMS when each Response and Repair is complete.

A Priority O&M Event will only have been responded to or remedied (as applicable) when the the applicable Agency Representative, acting in good faith, is satisfied that the Priority O&M Event has been fully responded to or remedied (as applicable).

If TSP does not Repair the Priority O&M Event within the Repair Time, then following expiration of the original Repair Period, TSP shall Repair the Priority O&M Event within a further Repair Period commencing upon expiration of the previous Repair Period (Further Repair Period).

Where a Priority O&M Event is not Repaired within the Further Repair Period, additional Further Repair Period(s) of equal duration shall apply (and Performance Liquidated Damages or Performance Stipulated Damages shall continue to be applied) until the Priority O&M Event is Repaired.

13.6 MOMS Reporting

The MOMS reporting system shall support the generation of reports that provide the following types of data at a minimum:

1) Equipment inventory including Hardware, Software and firmware versions, serial numbers and warranty information;

2) Equipment, subsystem and total TCS availability;

3) Summary and detail history of alarms with drill down functionality;

4) Summary and detail work order status;

5) Incident logs;

6) Response Time and Repair Time by maintenance personnel, TCS location and Priority O&M Event (including authorization of any Temporary Repair);

7) Preventive and corrective maintenance history including component failure rates; and

8) Equipment use and repair history.

14 REPORTING

TSP shall provide comprehensive reporting during CSC Commencement Period and the O&M Term. Reporting shall be sufficient to support TSP management and operation of CSC Commencement Services and O&M Work, identify trends, aid in the identification of efficiency improvement needs, and support Agencies' oversight of TSP and evaluation of the TCS and fulfil Agencies' external reporting requirements to stakeholders. TSP shall provide a comprehensive set of standard reports, modify standard reports as needed, and develop custom reports to satisfy the requirements of these TPs and Contract.

14.1 Reporting Interface and General Requirements

TSP shall provide a reporting interface and system for authorized users. The reporting system shall at a minimum:

1) Restrict access based on User Role;
2) Allow users to browse, choose, schedule and run reports through a clearly displayed and user-friendly GUI;
3) Provide reports based on pre-determined thresholds and support automatic distribution without any user intervention;
4) Support reports with single or multiple data sources, tables, and databases;
5) Allow users to schedule reports to be run at specific times and days, both one-time and recurring;
6) Allow users to save all reports for archiving;
7) Show reports on screen, and allow printing and downloading to Excel, PDF, or CSV files;
8) Provide detail and summary reports and the capability to drill down from summary reports to detailed reports;
9) Notify users that a report may take a long time if the report will take longer than 5 minutes;
10) Run all standard daily reports within 30 seconds and weekly reports within 5 minutes; and
11) Allow users to select date/time ranges, select Segments or Corridors or other applicable selection criteria to be determined during the D&D Phase.

TSP shall ensure data and reporting queries are managed to optimize system performance.

TSP shall regularly evaluate the databases to ensure summary tables and queries are efficient and effective at providing reports timely.

14.2 Data Mart (Only CSC Host applies to OCTA)

TSP shall provide RCTC access to all Lane, ETC Host, and CSC Host data through the use of a separate and identical copy of all data in a Data Mart. This Data Mart shall be used by RCTC and

OCTA to create ad hoc reports, run queries, and support other oversight functions. At a minimum, the Data Mart shall:

1) Be a near live copy (within one (1) hour) of all Lane, ETC Host, and CSC Host databases within the TCS;
2) Have data mirror the Lane, ETC, and CSC Host databases without alteration or manipulation of the data;
3) Provide a segregated database of historical Trip data with all relevant elements related to Trip Transactions;
4) Restrict access by User Role;
5) Be available to remote users;
6) Support a minimum of 10 concurrent agency support users;
7) Allow the export of data from queries into Microsoft Excel, Microsoft Access, delimited text files, or Crystal Reports; and
8) Allow users to create additional summary tables, custom queries, and reports without altering the database copies.
9) Provide a commercial off the shelf data analytics solution that works in conjunction with the Data Mart available to all authorized users as described above.

TSP shall provide daily reporting or validation to demonstrate that the Data Mart is an exact copy of the live production databases.

TSP shall provide a comprehensive data dictionary and access instructions to RCTC 60 days prior to the CSC Commencement Deadline. TSP shall update the data dictionary as appropriate and resubmit annually or after material changes in the TCS or database architecture.

Data fields and information stored within the data mart is to be defined by TSP and RCTC during the detailed design phase.

OCTA shall be provided with CSC data mart fields and access prior to transition.

14.3 Ad Hoc Reports

The TCS shall have the capability to generate ad hoc reports from the Data Mart. The technical and performance requirements shall be the same as production reports as outlined in these TPs. Ad hoc capabilities shall include the following at a minimum:

1) Allow user to create, submit or store ad-hoc queries in a common directory for future use;
2) Provide run-time control limits to manage large queries or downloads; and
3) Provide the ability to preview ad-hoc query results and reports before downloading or printing.
4) The TSP shall support Agencies in the development of a set of queries during design. The TSP shall support RCTC in the development of up to eight additional queries during the

first six months of operation and up to one additional query a month throughout the O&M Term. The TSP shall respond to an Agency's request for query development within 5 business days of the request.

14.4 System Performance Monitoring

The TCS shall provide reports that support monitoring of its KPIs and other functional requirements of the Contract. At a minimum, these reports will:

1) Provide historical reports to show lane accuracy and performance;
2) Demonstrate subsystems' performance (i.e. AVI, VES, Website, IVR, and ODS);
3) Trace transactions from Lane Controllers to ETC Host to CSC Host;
4) Monitor the ability of users to access the system, including users through the web, including information on successful and unsuccessful attempts to log in, logout, access screens or information;
5) Summarize the comparative speed, volume and density data from adjacent AVD and TMS sites for the purposes of device "error checking" and sensor calibration. The TCS shall also be able to provide MOMS alarms if and when the two systems fall out of a configurable tolerance level from one another;
6) Show the history of the time required to build Trip Transactions by Corridor;
7) Identify sequential Lane Transactions missed in building Trip Transactions;
8) Show failure histories for various components and subsystems;
9) Show communication failures and server downtime;
10) Provide a log of Event Transactions by system, subsystem, and Toll Point;
11) Analyze the impact of TCS performance on operations and revenue; and
12) Any other metrics required to report on, validate, and audit TSP's performance as defined by The KPIs.

14.5 Specific Report Requirements

TSP shall provide all reports as requested within these TPs and as needed to complete Toll Services. The following reporting requirements are a preliminary and non-exhaustive list of the TCS activities that will require the production of reports. This list is provided to give TSP insight into the scope and type of reports required in actual production. The final list of reports will be mutually agreed upon during the D&D Phase.

14.5.1 Financial Reports

TCS shall provide a full set of financial reports available upon demand. The reporting system shall be Configurable to allow for changes in reporting requirements. Financial reports shall be available as frequently as daily and shall be available upon demand.

TCS shall allow for the running of reports from current and prior accounting periods.

TCS shall report on Trip Transactions and revenue daily. TSP shall initiate a wire for earned revenue daily and provide a complete reconciliation of the earned revenue to the ETC and CSC System.

TSP shall provide a daily journal entry for daily activity and enter into each Agency's financial system. TSP shall coordinate with each Agency's finance to determine the best method, automated interface or manual entry, for integrating with each Agency's financial system for the purpose of recording the EL financial activity. TSP shall provide month end journal entry reports within four (4) business days of the end of the month.

TSP shall provide a monthly finance package within 10 calendar days of the end of the month which shall include the following at a minimum:

1) A summary of the monthly and year to date wire transfer amount to each Agency;
2) The monthly journal entry to be posted to each Agency's financial system;
3) The Financial statements;
4) The summary and detailed trial balance;
5) Reconciliation of all cash accounts;
6) Reconciliation of the prepaid toll liability account from the prior month end to the current month end;
7) Reconciliation of the Transponder physical inventory to the system inventory;
8) Aging of any uncashed customer checks;
9) Aging of retail and interoperable receivables and payables;
10) Reconciliation of DMV holds and fee balances and activity to the DMV;
13) Reconciliation of collection balances and activity to the collection agency;
14) Separate Transponder Transactions and IBT, various types of Trip Transactions, and home and CTOC Trip Transactions at detailed and summary levels;
15) Separate SOV and HOV3+ trips;
16) Reconciliation of ODS, ODRs and appeals, and dispositions with revenues and administrative fees;
17) See detailed and summary variance listings by Revenue or Transaction day and month;
18) Reconcile Lane Transactions, Trip Transactions and revenues separately for Corridor, Segments and Read Points;
19) Reconcile TCS Trip Transaction counts and expected revenue versus ROC Transaction counts and posted revenue by revenue day or posting day in detailed and summary level, daily and monthly or by CSC batch file, and allow users to separate posted Trip Transactions by the type of Account they posted to and by Revenue Day or posting day or by CSC batch file;

20) Summarize Trip Transaction counts and revenue by posting date, including the ability to see what transactions from a given month posted in the next month;

21) Determine which toll rates applied to each Trip Transaction;

22) Track which Lane Transactions the System consolidated into a Trip Transaction;

23) Report on CTOC Trip Transactions;

24) Reconcile files sent between all system interfaces and response files; and

25) Violation receivable aging showing resolution and payment by processing stage and number of days aged; age of transactions by processing status.

14.5.2 Auditing Reports

The TCS shall supply reports to support the audit of the System. At a minimum, these reports will allow users to:

1) Identify and explore system variances;

2) Examine exception and anomaly transactions;

3) Determine that the system took images for each Lane Transaction, sent images for Lane Transactions to the Host and sent images for each IBT to the CSC as a Trip;

4) Determine that the ODS took images and collected data for each Lane Transaction in which a Transponder was switched to HOV mode, determined confidence level, and sent appropriate Trips for ODR;

5) Examine unresolved or rejected Lane Transactions and Trip Transactions by reason code;

6) Determine the source of variances through reporting on incidents, system alarms, toll rates, and comments;

7) View a log of Event Transactions by system and subsystem;

8) View overrides, corrections, adjustments and reversals;

9) Reconcile and validate individual accounts within the pre-paid toll liability account;

10) Reconcile and validate individual accounts within the violations receivable account; and

11) Drill down to the transaction level from any general ledger account for any unit of time or by a specified date range

14.5.3 Traffic Reports (RCTC Only)

The TCS shall supply reports that allow users to examine traffic patterns and historical trends. At a minimum, these reports shall allow users to:

1) Perform trend analysis on traffic data and revenue;

2) Examine use of the EL by HOV status claimed and actual;

3) Perform trend analysis on ETC vs IBT transaction by toll point;

4) Perform trend analysis on average toll segment price;

5) Perform trend analysis on origin and destination of I-15 EL users;

6) Perform trend analysis on traffic speed, density, LOS, and volumes in EL and GP lanes. The trend analysis on traffic speed shall identify whether speeds fall below 60 mph more than three times in a consecutive 30 day period; and

7) Compare travel times based on Trip Transactions and travel times calculated for real time monitoring in the EL and GP lanes.

14.5.4 Traffic Operations Reports

TCS shall provide reports that support operations of the Agencies' ELs and monitoring of traffic flows and the pricing algorithm. At a minimum, these reports shall allow users to:

1) Examine the identity, reason and toll rate change for manual toll overrides;

2) View current and past implemented toll rates by Segment;

3) Perform trend analysis and comparisons of average and maximum tolls by location, by date, and by time of day;

4) See trends in Corridor travel times based on Trip Transactions between various destinations;

5) Show all incidents reported;

6) Perform historical analysis of Trip Transactions by specific locations included or missed, and number of locations included or missed;

7) View the number of Trip Transactions by Corridor of SOV, and HOV 3+ claimed and actual;

8) View enforcement web portal activities, including the number of queries processed and emailed query results; and

9) View Express Lanes Maintenance Vehicle logs.

14.5.5 Customer Service Center Reporting

TSP shall create and schedule CSC Host reports to support necessary reporting and operations functions as specified within these TPs to perform the Work discussed within these TPs, and to provide measurements for KPIs. These reports shall be run from the non-production environment, but shall not inhibit resources available for Agencies to conduct queries as specified above. Some of these reports include:

1) Trend reporting;

2) Financial reconciliation;

3) Transaction reporting;

4) Aging reports for Transactions

5) Aging reports for Violations indicating the stage of each Violation was resolved or remains open;

6) Customer Service Center reporting;

7) Non Time Critical Performance Monitoring: Defined as performance reporting that is not sensitive to the delay between the production environment and the duplicate database;

8) Reconciliation of lane reporting and back office transactions so that transactions can be tracked from the lane equipment to the back office;

9) Real-time subsidiary leger showing transaction detail;

10) Auditability of transaction tracing from lane through back office to final disposition;

11) IBT Transaction reporting including by plate toll point;

12) ODS violation reporting;

13) Transaction, image, and trip rejection rates and reason codes;

14) Payment processing details;

15) Trip dismissals and reason codes;

16) Dashboards to be developed during the D&D Phase;

17) Violator report lists, including egregious and chronic violators as defined in the Business Rules.

18) Phone system and IVR reports including utilization rates by day and time of day, queue wait times, call duration times, call types and other information by day, user, and other parameters to measure and improve CSR performance, improve system functions, and calculate KPIs; and

19) Customer Website reports including utilization, uptime, visitor data, view and hit trends, among other measures; and

20) Transaction dismissal or write-off by specified date range, reason code, employee identification number, and transaction type.

The CSC Host shall automatically perform standard reporting functions from the production/live environment to support critical notifications and alerts. These shall include:

1) Production System CSC Host utilization alerts;

2) Alerts and notifications from monitored interfaces;

3) Reconciliation reports for all received and sent files along with associated acknowledgements and control totals for system interfaces and data exchange;

4) QA/QC;

5) Reconciliation Audit, and Internal Control plan;

6) Customer communications, including statements, Violation Notices, and all other correspondence broken down by method (email or mail), etc.;

7) Returned mail;

8) Account updates;

9) Account opening and closing, net accounts;

10) All Transactions within the system by type;

11) Image review results, rejection rates and codes, including by user;

12) ODR results and dispositions by user; and

13) Transponder inventory management.

14.5.6 System Administration Reporting

TCS shall provide reports that support the administration of the TCS. At a minimum, these reports shall allow users to:

1) Monitor system configurations by system area (i.e. VTMS, toll rate assignment, Dynamic Pricing algorithm, etc.), location (if applicable), and date range;

2) Monitor user access and rights by category or user;

3) Monitor and log assignments and changes to user and group rights; and

4) Examine at a detail and summary level, the amounts and types of usage queried by user type, by date/time range, user ID, or function. Detail will include information about the object of the user query.

15 TRAINING AND DOCUMENTATION

15.1 Training

One of Agencies' goals is to have a well-trained workforce responsible for the RCTC 15 EL, RCTC 91 EL and OCTA 91 EL. Both initial and continuous workforce training is paramount to the Toll Service's success.

15.1.1 Training Plan

TSP shall meet with Agencies to discover the various groups of Agency personnel and other TCS users who will need training and explore their training needs. TSP shall use the results of this meeting in developing the Training Plan.

TSP shall prepare and submit for Agencies' review and approval a Training Plan 90 days prior to the transition. The Training Plan shall include a supporting training schedule and a training system flowchart that depicts trainee groups with corresponding training courses.

For each specific training course, TSP shall include at a minimum: course title, content outline, method of delivery, equipment to be used, media to be employed, list of materials required, course length, optimum number of students, course objectives, course success criteria, and any required prerequisite courses for each proposed course.

15.1.2 Training Materials and User Manuals

At a minimum, TSP shall develop and provide Agencies approved training materials listed below in accordance with the Schedule and the Training Plan:

1) Classroom training materials for students
2) Classroom slide presentation or instructor materials
3) All user and maintenance manuals
4) Evaluation forms

TSP shall be responsible for providing all training material, computers, projectors, projector screens, video players, meals, and supplies required for the training class. All training classes shall be included in the Project Schedule.

TSP shall deliver training materials to Agencies in both hard copy and electronic format. TSP shall provide hard copies of the training materials for each person being trained.

TSP shall revise the training program, Training Plan and training documentation and classroom materials, as necessary, throughout the contract term based on feedback from Agencies.

15.1.3 Training Implementation

At a minimum, TSP shall:

1) Train various Agency employees, OCTA WIC Staff and TCS users in the operation, maintenance and support of the entire TCS. This shall include database administration and system administration training that provides a comprehensive overview of the system Software design.

2) Use a blended learning approach consisting of a combination of classroom, computer-based, hands-on, on-the-job, train-the-trainer, and interactive self-instructional modules.

3) For each course, provide a training exercise to demonstrate through hands-on activities the subject matter covered in the course lecture or course section.

4) Provide training directly to end users, including Agency staff, ROC CSRs, TOC, Finance, CHP officers, and others identified in the Training Plan. Training shall include initial and refresher courses twice a year.

5) Conduct training classes for the financial and audit staff on the usage of the TCS to generate reports, audit of collection, and preparation of ad hoc queries.

6) Provide training for Agency Software support, administration, IT and maintenance staff.

7) Ensure that all classroom training is provided by professional, qualified trainers supported by appropriate technical experts.

8) Develop and manage post-training evaluation and feedback from students immediately after each course completion and after 30 days of practical use of the TCS. These evaluations shall be used to refine future training sessions and courses.

TSP shall complete training according to the Schedule and Training Plan dates.

15.2 Documentation

TSP shall be responsible for documentation of all Toll Services activities. TSP shall update Toll Services documents in accordance with the PMP during the Term. If substantial changes occur in any aspect of the Project, the TSP shall update relevant documentation within one month of that change, unless a specific alternative update schedule is required.

All documents shall be submitted in the native editable format and pdf.

Documents may be combined with pre-approval from Agencies. Once accepted by the applicable Agency, all deliverables shall be owned by the applicable Agency.

TSP shall maintain a library of current versions of all Toll Services documents. TSP shall maintain this library in a secure location with web access by all approved members of the Toll Services team.

TSP shall submit all documentation and plans in the English language. All Toll Services documentation shall be maintained in formats found in the Microsoft Office suite. All Toll Services-related electronic files shall be partially backed up daily and fully backed up weekly.

Manuals shall be delivered as bound documents or in binders to facilitate review and use of the documents. Each manual produced for the TCS shall contain a title sheet, table of contents, a list of illustrations (if applicable), revision log, and a list of reference drawings (if applicable).

With the exception of the original equipment manufacturer standard documentation (e.g., manuals, catalogs), all manuals, section numbers, line numbers, page numbers, version numbers, records, and lists shall be printed double-side on 8-1/2" by 11" sheets and may include 11" by 17" “engineering fold” inserts. The left-hand margin of the sheets in the manuals shall be adequate to ensure binding without encumbering the reading of the material. All drawings, graphs,

plans, charts, illustrations, etc. shall be produced with the aid of computer aided drafting Software or other Software approved by Agencies (e.g. Microsoft Visio or Microstation).

TSP shall deliver all materials, Software and related documentation in compliance with the Contract regarding Source Code. TSP shall deliver these materials to Agencies with enough time to meet the Project Schedule and milestone dates.

All activities related to accessing, documenting, loading, and compiling the Source Code shall be performed exclusively in accordance with the procedures established under the existing escrow agreement among Agencies and the TSP, and the designated escrow agent.

The TSP designated and funded under the escrow agreement will perform the Source Code loading and compilation and will provide written notice if the compilation effort is unsuccessful. If the TSP successfully compiles the Source Code in accordance with the escrow agreement, the TSP will be deemed to have satisfied the applicable Source Code compilation requirement. The agencies may observe the compilation process to the extent permitted under the escrow agreement.

15.3 User Manuals

TSP shall produce and maintain, for the Term, a set of system user manuals. Standard user manuals for commercial products will be acceptable if they contain sufficient information to service the component equipment. User Manuals shall be submitted to Agencies for review and approval 90 days prior to the CSC Commencement Deadline.

Prior to developing user manuals, TSP shall prepare and submit for each Agency's review and approval, a draft table of contents and concept outline depicting the proposed content for all user manuals.

The user manuals shall provide complete and detailed descriptions of how and when users should operate the TCS. The user manuals shall include a general description, the theory of operation, instructions for navigating through the TCS and detailed step by step instructions for each TCS function.

The TSP shall provide user manuals, including:

1) Database and Software Administrator Manual;
2) System Configuration and Administration Manual (including ETC, CSC and TMS);
3) Network Administrator Manual;
4) Finance Manual;
5) Research Screens;
6) CHP Manual;
7) Ad-Hoc Reports Manual including a Data Dictionary;
8) Reports Manual; and
9) Traffic Operations Manual.

The user manuals may be combined with both Agency's approval.

15.4 As-Built Technical Drawings (RCTC Only)

Drawings that provide specific product and installation details shall be provide prior to TCS Acceptance. TSP shall prepare accurate and complete drawings for the entire TCS.

TSP shall create As-Built Technical Drawings for the TCS. TSP shall keep accurate records of as-built documentation and any Deviations from original drawings and diagrams. The set of diagrams shall include all schematics, block diagrams, logic diagrams, layouts, wiring diagrams, assembly drawings, Software build and implementation records, and parts detail drawings for all mechanical parts designed or modified. Documentation of the communication network shall include the sequential cable length markings at each splice box and pull box wall that the cable passes through and Ethernet cable manufacturer's recommended and maximum pulling tensions for each Ethernet cable size.

15.5 List of Materials (RCTC Only)

TSP shall prepare and submit a list of materials that includes parts and components making up each device implemented under this Contract and shall provide illustrations of the parts and components. A parts list for each TCS device shall include all parts and components making up that device and shall provide pictures, exploded view diagrams, part numbers and names. The list of materials shall be submitted to RCTC during the Critical Design Review.

15.6 Final Design Document (RCTC Only)

TSP shall update the FDD to reflect the design of the TCS at the time of TCS acceptance. TSP shall match the Final Design Document to an updated RTM that reflects all approved change orders. This document shall be submitted to RCTC for review and approval prior to TCS acceptance. TSP shall revise the document to reflect RCTC's comments and submit a final version for approval.

16 MAINTENANCE

TSP shall operate and maintain the TCS to support continued operations with no degradation so as to continuously meet the KPIs during the Term. TSP shall provide all preventative and corrective maintenance of the TCS.

Performance of maintenance activities shall be completed in a manner that does not disrupt or degrade operations. In the event a maintenance activity does require interruption of service or operations, TSP shall notify the applicable Agency and gain concurrence prior to such activity.

Hardware maintenance shall include repair and replacement activities to ensure the normal function of any TCS device or component such as servers, drives, workstation computers, peripherals, printers, specialized technology, or any other activities or equipment needed to maintain the performance standards set forth in these TPs.

All Software and firmware updates shall be scheduled and planned with the applicable Agency. Any such efforts shall be clearly documented in advance for the applicable Agency's concurrence.

The TSP shall be provided with Non-Revenue Account transponders for use while actively maintaining the I-15 EL by RCTC.

16.1 Maintenance Plan (RCTC Only)

TSP shall prepare and provide to RCTC for review and approval a proposed written Maintenance Plan for the TCS system. TSP shall prepare and provide to RCTC and OCTA for review and approval a proposed written Maintenance Plan for the CSC system. The Maintenance Plan shall be submitted 120 days prior to the CSC Commencement Deadline. Each system's Maintenance Plan shall include details of how maintenance activities will be performed including a plan for preventive maintenance and a preventive maintenance schedule showing what activities will be performed and when each preventive maintenance check will occur. The Maintenance Plan shall also include a plan for inventory management and control, including all activities required to maintain an adequate supply of materials, supplies, spares, configuration files, settings, parts and equipment to maintain the system at all times. The Maintenance Plan shall address the storage of spare channelizers in addition to the other TCS spare parts. The Maintenance Plan shall also include security maintenance tasks such as rotating passwords according to the password rotation policy, reviewing security log files and applying security patches.

The Maintenance Plan shall identify and TSP shall have on hand at all times an inventory of all spare parts anticipated to perform the O&M Work in accordance with the Contract for a three month rolling period. TSP shall update the Maintenance Plan and inventory to take into account anticipated rates of spare parts inventory depletion and the length of time required to procure the various spare parts when determining spare parts inventory quantities. The Maintenance Plan shall include a plan for monitoring and replacing, at TSP's Cost, any spare parts that may become obsolete.

The Maintenance Plan shall include a list of special tools, test equipment or specialty training needed for maintenance.

The Maintenance Plan shall also include a list of maintenance event scenarios, categorized by priorities as defined in Section 16.16.

Maintenance notifications may be provided to the TSP through various means. The start of the maintenance response time, for purposes of measuring the TSP's response time, shall be described as follows:

- Automatic Notification - Automatic alarm and alert messages shall be sent out by MOMS notifying the recipient responsible for response to respond to the failure. The time stamp of the notification within MOMS shall constitute the start of the response time, unless MOMS fails to notify in which case RCTC or TSP will document the start of response.

TSP shall review and provide necessary revisions to the preventive maintenance schedule upon review of any annual performance audit report by RCTC.

The Maintenance Plan shall describe how each system will be monitored to ensure jobs and scripts are running correctly, and that all processes are working correctly. The Maintenance Plan shall include a schedule for monitoring and periodic checks of systems along with remedial measures in the event a system is not working correctly. The Maintenance Plan shall also include tracking and reporting on system hardware utilization, anomaly reporting, external interfaces, and monitoring the health of any systems that are not monitored automatically by MOMS.

The Maintenance Plan shall also serve as a reference guide for maintenance managers and staff technicians and shall describe the following TCS maintenance program components at a minimum:

1) Performance requirements;
2) Maintenance, repair and preservation approaches and process schematics;
3) Installation and setup plans, including all configuration files and tuning required;
4) Diagnostic Hardware and Software tools and techniques;
5) Resource requirements, roles and responsibilities;
6) Schedule of activities, including preventive maintenance activities such as scheduled inspection, renewal or replacement and testing of on-Site and off-Site system components;
7) Quality Control/assurance procedures and reports on the condition of Software, Hardware, communications and peripheral equipment; and
8) Operation of MOMS including the handling of alarms, work orders, reports, inventory, scheduled preventative maintenance, scheduled monitoring and monitoring results.

TSP shall update the Maintenance Plan throughout the O&M Term at least once per year and whenever TSP makes a significant change in equipment or maintenance procedures.

Asset Management TSP shall provide RCTC and OCTA with a list of all assets provided for the Toll Services within 30 days of Revenue Services Commencement. The list shall clearly label each asset, its serial number, physical location, asset description and the date placed in service. Each label shall include a barcode/QR code for identification. The asset list shall be updated annually and provided to RCTC and OCTA. The Contractor shall conduct regular physical

inventories of all RCTC owned assets and support RCTC and OCTA auditors in the confirmation of such assets.

16.2 Warranties

TSP shall be responsible for the development, implementation, and administration of a warranty program for all Hardware, and third party Software provided under the Contract. TSP shall maintain warranty records and shall review Software discrepancy and available patch reports to determine if the Software requires upgrading.

TSP shall ensure that all Hardware and third party Software used by the TCS is supported by TSP and all warranties remain in effect. Agencies shall have the right to review warranties upon request.

16.3 Software Licenses

The TSP shall keep up to date all Software licenses needed to provide the Toll Services. The TSP shall transfer the Software Licenses to Agencies at the completion of the Contract Term.

16.4 Source Code Escrow

TSP shall enter into a Source Code Escrow with a Code Escrow Agent designated by Agencies and shall continue to deliver updates and upgrades to the Software Source Code to the Code Escrow Agent for deposit into the Source Code Escrow on a continuous basis during the Term, in accordance with Contract Section 29.8.3.

16.5 Maintenance of Traffic during Operations (RCTC Only)

TSP shall be responsible for all MOT required for performance of the O&M Work during the O&M Term.

TSP shall comply with the Department's then-current Standard Plans, Specifications, and the Department Encroachment Permit Provisions, Department Traffic Manual, and CA MUTCD. TSP will be responsible for coordinating the review and approval of the traffic control and sequencing plans with the RCTC, the Department, and applicable governmental entities.

TSP shall provide Notice to RCTC at least 15 Business Days in advance of any scheduled closure of any I-15 ELs required to perform Maintenance Work. Any closures of the I-15 ELs for TCS Maintenance Work shall be coordinated with the RCTC.

TSP shall obtain Department rider encroachment permits, based on the RCTC's encroachment permits prior to conducting Maintenance Work for which such permits are required. TSP shall follow the conditions stipulated in the encroachment permits.

16.5.1 Permitted Lane Closures of 91 Express Lanes (RCTC Only)

All Permitted Lane Closures that impact the SR-91 and the SR 91 to I-15 Express Lanes Flyover Connector are subject to the same requirements as set forth in Section 4.7.3.

TSP is allowed six (6) off peak Lane Closure hours for the I-15 Express Lanes per month. The closures are subject to approval by RCTC and will fall within the off-peak windows set forth in Section 19.5. Closure restrictions for designated holidays and special days are also included in Section 19.5. TSP shall pay to RCTC Lane Closure Charges for Permitted Lane Closures of I-15 Express Lanes outside the 6 hours per month as set forth in Exhibit 22 of the Contract.

16.6 Preventative Maintenance (RCTC Only)

TSP shall develop a comprehensive preventive maintenance plan as part of the Maintenance Plan that includes daily, weekly, monthly, quarterly and annual preventive maintenance activities and a plan for actively monitoring and reporting on TCS performance.

Scheduled preventive maintenance shall include inspecting, testing, calibrating, cleaning, lubricating, adjusting, repairing, and replacing field-installable parts that are approaching unserviceable status, to prevent TCS failures and extend the useful life of the TCS. Such maintenance shall be performed in accordance with the Maintenance Plan and at a minimum in accordance with the equipment manufacturers' recommendations or as directed by RCTC.

Preventive maintenance schedules are subject to the approval of RCTC. TSP shall not remove any piece of equipment from service for preventive maintenance during peak operational periods without prior approval of the RCTC.

TSP shall provide at a minimum bi-annual preventive maintenance of the ETC system and TMS. Preventive maintenance shall include but is not limited to:

1) cleaning front face of the sign;
2) replacing any filters;
3) cleaning the screen in front of the inlet fan;
4) visual check for worn, damaged or disconnected harnesses;
5) check camera images;
6) AVI adjustments;
7) TMS settings check;
8) clean camera lenses, all CMS, VTMS (not static signs);
9) preventive maintenance at the CSC;
10) preventative maintenance of the Communication Network;
11) database housekeeping; and
12) UPS and generators check.

16.7 Remedial Maintenance (RCTC Only)

TSP shall perform all on-call remedial or corrective maintenance that consists of actions necessary to diagnose and correct malfunctions and failures in the TCS

TSP shall repair, replace, document and maintain any part or parts of the TCS that become unsuitable and are deemed to not be in accordance with their original specified performance requirements. Such repair or replacement shall be performed so that any Read Point shall not be out of service for more than the allowable down time for repair specified in Section 16.16.

TSP shall provide methods and procedures for RCTC and the Department to report problems by phone and email, which will generate TSP work orders.

TSP shall establish, maintain and staff a system that is available 24 hours a day, 7 days a week for reporting problems and placing service requests to technicians. TSP shall establish a protocol and provide a contact list for escalation of issues by RCTC in the event of an unforeseen emergency and/or failure to respond by TSP.

16.8 Unanticipated Maintenance (RCTC Only)

Subject to Section 10.10 of the Contract, unanticipated maintenance services required due to Force Majeure Events shall entitle TSP to a Change Order pursuant to the terms set forth in Contract Section 20.

TSP shall immediately notify RCTC of the need for such unanticipated Maintenance Work and obtain prior written approval to respond to such an occurrence.

16.9 System Monitoring

TSP shall perform scheduled reviews of the TCS and regular TCS upkeep. On a scheduled basis, the TSP shall check the Hardware and Software components of the TSC to ensure that all components are present and operating within specified parameters. Based on these reviews, TSP shall perform needed TCS upkeep (e.g., de-fragmenting disk files, purging obsolete files from directories, etc.) to ensure uninterrupted operation of the TCS.

TSP shall monitor the TCS. During operation, TSP shall check system monitoring devices and programs, run-time system utilization parameters and other diagnostic tools (e.g., file size and allocations, processor loading, response times, etc.) to ensure that all aspects of the TCS are operating properly and the TCS is meeting all requirements of the Contract, KPIs, and Technical Provisions. The monitoring schedule shall be included in the SMP.

TSP shall monitor the integrity of databases. On a scheduled and real-time basis as appropriate, TSP shall review system databases (tables, indexes, views/queries, etc.) to ensure that all are properly updated and that appropriate integrity of all TCS databases is maintained. Alerts shall be generated for anomalies immediately upon recognition.

TSP shall maintain logs of all scheduled monitoring and TCS upkeep activities.

TSP shall maintain logs or other appropriate records of all monitoring activities, anomalies found and measures taken to correct these anomalies.

TSP shall respond to routine operational requests (e.g. network mask, IP addresses, reconfigure VLAN).

The ETC system shall perform periodic deletion of data as stipulated in these Technical Provisions and both Agencies' data retention rules and policies.

16.10 Communication Network Support

TSP shall establish, operate, and maintain the Communication Network system that is required to support the TCS. This includes connections for the TCS, ROC, CSC, WIC storefronts, web, mobile/smart phone applications, phones, IVR system, both Agencies' facilities, EL facilities, CTOC interfaces, credit/debit card clearing house, cash payment network, collection agency, California and out-of-state DMV vehicle registration providers, each Agency's financial system, web hosting facility (if applicable) and other third party systems as required by the Contract.

16.11 Software Maintenance

Software maintenance shall include system administration, database updates and upgrades, operating system updates, antivirus updates, firmware updates, license maintenance, and any other activities needed to maintain the performance standards set forth in these TPs and satisfy the KPIs.

TSP shall maintain third-party Software at the most current or one back version throughout the term of the Contract unless they go out of business or get replaced and unless such maintenance degrades the performance of the TSP's Software, in which case the TSP and the applicable Agency shall agree on the appropriate course of action.

TSP shall keep all Software instances (training, test, development, pre-production, and production) at the same configuration and patch level.

As standard practice when repairing deficiencies and releasing TCS fixes or upgrades, TSP shall prepare and run regression testing scripts to test each build that is delivered to the test environment to ensure that no regression problems have surfaced. Any regression issues shall be documented as deficiencies and resolved accordingly.

16.12 IT Services

TSP shall provide continuous (24 hours per day, 7 days per week) IT Services for the TCS to ensure that it is performing and will continue to perform as required by the Contract. IT Services shall include monitoring and corrective action to ensure the TCS performs in accordance with the requirements of these TPs. This shall include, but not be limited to, the following:

1) Manage user access inducing adding deleting users and password management.

2) Develop schedule and inform Agencies of all scheduled maintenance activity that will impact the Availability of the TCS, communications infrastructure, and system to system interfaces.

3) Establish and staff a help desk function for assisting Agency staff in answering user questions and identifying data errors.

4) Provide any daily, weekly, or periodic maintenance required to maintain the TCS at required performance levels.

5) Provide support for TOC and CSC computers and phones.

6) Conduct TCS shutdown and re-start, if required, to keep the TCS operational.

7) Re-establishment or re-installation of TCS files, programs and parameters, as required, following a failure or damage to the TCS.

8) Provide ongoing database performance monitoring, maintenance, upgrades, revised indexing, and tuning as needed to optimize TCS performance.

9) Complete daily backup of all TCS data. In addition, TSP shall be responsible for performing a restoration and recovery of any component of the TCS as required after a failure.

10) Utilize TCS tools and error logs to monitor and analyze the performance and health of the TCS with regular timely reporting of findings to Agencies.

11) Monitor TCS security and address any potential threats.

12) Investigate and analyze anomalies, including trend analysis.

13) Coordinate identification of potential problems, lead the problem resolution process, and initiate corrective actions to include modifying TCS functionality as needed with regular timely reporting of findings to Agencies.

14) Perform required installation and integration of new Software and Hardware, including application Software, databases, operating systems, security Software, third party Software, and other supporting Software.

15) Update systems and security in compliance with updated PCI DSS standards.

16) Verify time synchronization is occurring as configured and TCS clocks are not drifting beyond a threshold acceptable to Agencies.

17) Verify on a daily basis that all interfaces to other systems are functioning according to the requirements of these TPs and approved ICDs.

18) Verify processes, programs, and scheduled jobs are successful.

19) Make changes to TCS Configurable Parameters and rules and deploy changes in production.

20) Modify IVR call flow to correct routing and call flow problems identified during normal operations.

21) Modify the customer Website to maintain up-to-date information relating to toll rates and facility information, customer issues, and both Agencies' policies.

22) Perform ad hoc queries based on Agency requests and provide reports on all requests.

TSP shall maintain current and accurate records for all TCS Hardware and Software maintenance activities. TSP shall maintain records in an electronic form easily retrievable and transferable to Agencies. All records shall be the property of Agencies and Agencies shall have the right to review and retrieve data and records at any time via electronic or hard copy. TSP shall provide RCTC with direct access to TSP's database. OCTA shall have access to the CSC Host

16.13 Back up and Archiving

TSP shall perform scheduled data, application and system backups as specified in the Maintenance Plan and ensure that backup media are properly stored, rotated on schedule and replaced appropriately.

TSP shall perform scheduled backups for off-site storage or rotate backup media to and from the off-site storage location as appropriate. TSP shall ensure that viable and complete backups are delivered to the off-site storage location when scheduled and that media to be rotated are returned from off-site storage locations and returned to usage on the system as appropriate.

TSP shall maintain records of backups including logs of all backup activity, rotation of backups and usage/rotation of backup media and records of all off-site data storage.

TSP shall follow system archiving procedures to capture data to be archived to permanent storage media as required to maintain proper system functioning or as scheduled in the SOPs (whichever occurs first). TSP shall ensure that archived media are properly logged and maintained and that archived data is viable and accessible throughout the required archive retention period for the data.

TSP shall ensure that an adequate inventory of storage media for primary and backup purposes is available and procure additional storage media for backups and archiving data when needed.

TSP shall perform periodic tests on the full Host and lane recovery to ensure entire ETC system is recoverable from backups. Results of tests shall be documented and provided to Agencies.

16.14 Spare Parts (RCTC Only)

TSP shall provide a proposed list of spare parts for RCTC approval. RCTC shall provide space for storing spare TCS parts. TSP shall provide an inventory of all spare parts required to maintain the TCS. The initial inventory shall be a complete complement of spare parts. TSP shall maintain adequate reserve stock of spare parts and items of equipment located in proximity to the I-15 EL through the O&M Term. TSP shall maintain a comprehensive, accurate, and auditable parts and spares inventory at a system level by using the MOMS maintenance data base. RCTC shall own the spare parts inventory.

16.15 Maintenance Performance Requirements

Maintenance Staff – TSP shall maintain a full-time TCS maintenance staff, to effectively support and maintain the TCS on a 24 hours per day, 7 days per week schedule. Software and computer Hardware maintenance shall be provided through qualified personnel and contractors acceptable to Agencies.

Facilitating Communications with TSP – TSP shall establish and provide a 24 hour per day phone number for the reporting of TCS outages and problems. TSP shall provide Agencies with the contact information for technicians, supervisors, and managers.

The following priority definitions shall be used to classify each Priority O&M Event during the O&M Term:

O&M Priority 1:

1. Is impacting safety
2. Critical issues in which revenue and/or data loss has occurred, is imminent, or is reasonably expected to occur if repair, restoration, or remediation is not completed, or
3. Issues with interfaces between the TCS and external entities for scheduled production or data exchange.

O&M Priority 2:

1. Non-critical issues in which revenue and/or data loss is not reasonably expected to occur if repair, restoration, or remediation is not completed, and
2. Revenue and/or data loss risk is not imminent or expected to occur within the next 5 days.

O&M Priority 3:

1. Non-critical issues in which revenue and/or data loss is not at risk, and
2. TCS functions are not operating per the Contract requirements, or
3. TCS functions are not operating as designed or intended, or
4. Customers are adversely affected, or
5. Stakeholder perception or reputation of Agencies may be adversely affected.

TSP shall notify Agencies of all O&M Priority 1 and O&M Priority 2 issues as soon as TSP becomes aware of them. TSP shall provide Agencies status reports for the correction of all O&M Priority 1 items every four (4) hours until resolved.

TSP shall Respond, Repair, and/or correct issues during the O&M Term in the timeframes specified in the KPIs.

TSP shall Respond, either through remote access or on-site, and begin working on O&M Priority 1 and 2 issues within two (2) hours of notification 24 hours a day, seven (7) days a week.

TSP is required to have spare parts available at all times.

If a Priority O&M Event occurs, TSP may inform Agencies that it is unable to Repair the Priority O&M Event within the specified Repair Time due to:

1. the need for specialized materials or personnel that are not, and cannot reasonably be expected to be, immediately available; or
2. the circumstances being that TSP is not reasonably able to carry out a Repair, but that a Temporary Repair can be completed within the Repair Time.

If Agencies agree the paragraphs that (1) or (2) apply in their sole discretion, Agencies may:

3. permit TSP to carry out the Temporary Repair proposed by TSP and agreed with Agencies within the specified Repair Time; and

4. decrease the Priority Level of the Priority O&M Event, in which case the Permanent Repair shall be completed within the Repair Time applicable to the new Priority Level (Permanent Repair Time) and Section 13.5 will apply subject to the revised Priority Level.

If the agreed Temporary Repair is completed within the relevant Repair Time and the Permanent Repair is completed within the Permanent Repair Time, TSP's obligation to Respond to the Priority O&M Event remains unaffected however no Noncompliance O&M Event will occur for the failure to Repair the Priority O&M Event within the original Repair Time.

If the Temporary Repair is not carried out within the specified Repair Time:

5. a Noncompliance O&M Event will occur;
6. there shall be a further period commencing on the expiry of the Repair Time and of a duration equal to that of the Repair Time that will apply (Additional Repair Time); and
7. TSP shall carry out the Temporary Repair prior to the expiry of the Additional Repair Time.

If the Temporary Repair is not successfully carried out by TSP before the expiry of the Additional Repair Time:

8. a further Noncompliance O&M Event will occur from the time of expiry of the Additional Repair Time; and
9. paragraphs 5, 6 and 7 above will reapply until the Temporary Repair has been successfully carried out by TSP.

Whether or not a Temporary Repair has been successfully carried out, if a Permanent Repair has not been successfully carried out within the Permanent Repair Time:

10. TSP's right to carry out a Temporary Repair in accordance with this Section 16.6 ceases; and
11. a Noncompliance O&M Event will occur from the time of expiry of the original Repair Time.

17 BUSINESS CONTINUITY

The requirements in this section establish the baseline for business continuity to ensure that Agencies will be able to continue to provide TCS services with minimal interruption to daily operations under various business disruption scenarios.

17.1 Business Continuity Plan

At least six (6) months prior to the start of the O&M Term, TSP shall develop and submit a Business Continuity Plan for Agencies' review and approval. The plan shall document the TSP's day-to-day policies, guidelines, and procedures for ensuring that the TCS, functionality, and operations will be fully available to Agencies and users of the ELs and meet the Key Performance Indicators. The plan shall address, at a minimum, TSP management, TSP staffing, TSP communications with Agency staff, facilities, Software applications, computer Hardware, network communications, operations, maintenance, and issue identification, escalation, and remedies.

TSP shall maintain, validate, test, and resubmit this Business Continuity Plan for review and approval by Agencies annually and after any material changes to the TCS, its architecture, location(s), or operations (including contracted services).

17.1.1 Disaster Recovery Plan

As a component of the Business Continuity Plan, TSP shall develop and submit a Disaster Recovery Plan for OCTA/RCTC review and approval. This plan shall document the TSP's facilities and operations (including any contracted or outsourced services), assess the hazards and vulnerabilities that the TSP's facilities and operations could face (including natural and technological disasters, civil emergencies, criminal activity, and other business interruptions), and describe how TSP shall maintain or recover its operations in the event of a business interruption.

This plan shall include, at a minimum, the following:

1) Description of processes for backup of all Software and configuration following each release of, or change to, the TCS, including the disaster recovery site;
2) Implementation of a back-up TCS site with full database replication located at least 60 miles from the ROC and the I-15 EL, subject to OCTA/RCTC approval;
3) Discussion of daily back-up process for all new and changed data on the TCS;
4) Provision of the means for the daily back-up to be maintained at a secure offsite location; and
5) Storage of one (1) year of data back-ups in a secure offsite location.

TSP's Disaster Recovery Plan shall be fully tested by TSP prior to CSC Commencement and approved by Agencies as part of testing to achieve Revenue Service Commencement. TSP shall test the Disaster Recovery Plan on at least an annual basis during the Term. TSP shall notify Agencies of these ongoing tests, provide Agencies the opportunity to witness the testing and review the results of the testing with Agencies upon completion. At a minimum, TSP shall document and provide certification that the tests were conducted and report on the results.

17.2 Operations Recovery Requirements

TSP shall meet the following requirements for restoring production operations in the event of a catastrophic event (including Force Majeure Events. and other natural and technological disasters):

1) TSP shall restore all Recovery Priority 1 identified functions to operations levels within 12 hours.
2) TSP shall restore all Recovery Priority 2 identified functions to operations levels within five (5) Business Days.
3) TSP shall restore all Recovery Priority 3 identified functions to operations levels within 30 days.

Functional Priorities shall be as follows:

Table 17-1 Functional Priorities

Function	Recovery Priority 1	Recovery Priority 2	Recovery Priority 3
Hosts	X		
IVR	X		
Walk In			X
Call Center		X	
Account Establishment		X	
Account Maintenance		X	
Customer Management			
Transponder Inventory Management		X	
Customer Service Website	X		
Retail Account Management			X
Payment Processing	X		
Transaction Processing	X		
Financial Accounting		X	
Reconciliation		X	
Audit		X	
Reporting		X	
System Interfaces	X		

18 END OF CONTRACT TRANSITION OR SUSPENSION

18.1 End of Contract Transition Plan

TSP shall submit an End of Contract Transition Plan to Agencies and obtain Agencies' approval of such plan at least 90 days prior to the transition. The End of Contract Transition Plan shall include at a minimum the following aspects for transition of all or part of the O&M Work to a Successor in relation to the continuing operation and maintenance of the TCS, or subsystem, without disruption to users of the I-15 and 91 ELs at the end of the Term or upon Contract termination:

1) A detailed plan for the process that could be used to transition TCS, or subsystem, operation and maintenance to a Successor including details of the means to be used to ensure continuing provision of the Toll Services throughout the transfer process or until the cessation of the Toll Services, and a detailed description of the management structure to be used during the transition process;
2) A timeline for supporting the start-up of the TCS, CSC, ETC, TMS, and other operations by Successor, lead times required by TSP, TSP resources required, and any assumptions underlying the resource estimates;
3) A detailed outline of the transition period, the time period during which the equipment or systems will be removed or services terminated, in the event of early termination of the Contract. Such period of transition shall not exceed 180 days from notification by an Agency of intent to terminate and shall include planning, documentation, data migration, training, and completion of the transition;
4) Plans for the communication with TSP's Subcontractors, staff, suppliers, customers and any related third parties as necessary to avoid any material detrimental impact on operations of the I-15 ELs or EL users as a result of such transition;
5) Proposed arrangements for segregation of TSP's networks from any other networks employed by Agencies and identification of specific security tasks necessary at transition (as applicable);
6) A system-to-system interface transfer plan;
7) A customer contact transfer plan discussing outreach, transition of all customer and Violation Notices, and transition of the call center;
8) A training plan for all maintenance and operations processes and procedures;
9) Provisions to provide Agencies with approved as-built system documentation, spare parts and tools, updated manuals, maintenance records, any rights for Software in accordance with the Contract;
10) An operations shutdown plan to include the destruction of certain confidential Agency designated hardcopy and electronic records;
11) An issue escalation and resolution process to manage challenges during the transition;
12) Plans for provision of contingent support to Agencies for a reasonable period after transition;
13) An O&M Transition Plan that specifically describes how TSP will meet with replacement staff or contractors to facilitate handover of all Agency customer, Transaction, and

financial data maintained in the TCS and any other information and property of Agencies; and how TSP will ensure there are no disruptions to CSC or TMS operations or to the TCS at all times and at all locations during phase-out;

14) A list of assets and equipment to be transitioned, including a description of all equipment, serial code, and date placed into service, warranty data, and other data necessary for the continued operation and maintenance of the equipment. This list shall be updated with each End of Contract Transition Plan update;

15) Describe in detail each Agency's various options for maintaining continuity of operations; and

16) Include detailed processes for turning site control over to Agencies.

TSP shall update the End of Contract Transition Plan as appropriate and resubmit it for review and approval by Agencies annually or after material changes in the TCS, architecture, location(s), or operations (including contracted services).

Agencies may instruct TSP to modify the End of Contract Transition Plan from time to time to ensure this provision for seamless transition of operations is met.

18.2 TSP Assisted Transition of All or Part of Operations to Successor

Transition activities of this Contract shall overlap with start-up activities for a Successor. TSP shall assist and cooperate with Agencies in the transition to a Successor as provided in Contract Sections 13 and 24.3.5.

18.3 Transition Requirements

TSP shall designate a Transition Manager who shall serve as the single point of contact for transition-related activities.

Within 30 days of notification from an Agency of its intention to transition to the Successor, TSP shall provide an updated draft of the End of Contract Transition Plan for the Agency's approval.

TSP shall provide sufficient TCS and operations experienced personnel during the entire transition period to ensure that the qualities of services are maintained at the levels required by the Contract.

TSP shall provide support to help the Successor maintain the continuity and consistency of the Toll Services required by the Contract.

TSP shall review and update ROC related business processes, procedures, database, Business Rules, and related documentation as a part of the transition process. TSP shall add any missing information and correct any Deviations from current operating protocol and provide to Agencies for review and approval per current Contract requirements at least 90 days prior to the Expiry Date.

19 ATTACHMENTS

19.1 CTOC Technical Specifications

19.2 Planned ROW Limits

19.3 TSP/DB Contractor Demarcation Matrix and Figures (RCTC Only)

Table 19-1 DB Contractor and TSP Demarcation Table and Figure

In the event of any irreconcilable conflict, ambiguity or inconsistency between or among the Demarcation Matrix and the Demarcation Drawings in this Section the Demarcation Matrix shall prevail to the extent of the conflict, ambiguity or inconsistency. Any TCS Equipment needed outside of what is listed below is the responsibility of the TSP.

No.	Express Lane Element/Components/Sub-system	Toll Services Provider (TSP)				DB Contractor			
		Design	Furnish	Install	Maintenance	Design	Furnish	Install	Maintenance
Toll Collection System									
1	CCTV Camera Pole and Foundation	Input Required			Yes	Yes	Yes	Yes	
2	CCTV Camera Mounting Adapters	Yes	Yes	Yes	Yes				
3	CCTV Surveillance Cameras	Yes	Yes	Yes	Yes				
4	License Plate Recognition Cameras	Yes	Yes	Yes	Yes				
5	Equipment Cabinet	Yes	Yes	Yes	Yes				
6	Wireless Device for CMS	Yes	Yes	Yes	Yes				
7	Roadside Cabinet with Lane Controller	Yes	Yes	Yes	Yes				
8	Roadside Lane Controller Cabinet Foundation and Pads	Input Required			Yes	Yes	Yes	Yes	
9	Beacon (VES)	Yes	Yes	Yes	Yes				
10	Transponder Tag Reader (AVI)	Yes	Yes	Yes	Yes				
11	Brackets	Yes	Yes	Yes	Yes				
12	Toll Gantry (Median Cantilever Structure)	Input Required			**	Yes	Yes	Yes	
13	Toll Gantry Foundation	Input Required			**	Yes	Yes	Yes	
14	Grounding Rod and lightening protection	Input Required			Yes	Yes	Yes	Yes	
15	Post Mounted Traffic Detection for EL	Yes	Yes	Yes	Yes				
16	In-Roadway Traffic Detection for EL (Loops)	Input Required			**	Yes	Yes	Yes	
17	Occupancy Detection (scoped through PDR only)	Input Required	Yes	Yes	Yes				
Signs									
18	Variable Toll Message Sign LED Inserts	Yes	Yes	Yes	Yes	Input Required			
19	Full CMS (Informational)	Yes	Yes	Yes	Yes	Input Required			
20	Static Sign Panel (Without Insert)	Input Required			**	Yes	Yes	Yes	
21	Structure and Foundation for All Signs	Input Required			**	Yes	Yes	Yes	
Power & Communications									
22	Electrical Cable, Transformers, Service Connection and Conduit from Electric Meter to Roadside Equipment Cabinet	Input Required			Yes	Yes	Yes	Yes	
23	Electrical Cables from Roadside Equipment Cabinet to Tolling Gantry and Equipment, Variable Toll Message Signs, and Changeable Message Signs	Yes	Yes	Yes	Yes	Input Required			
24	TCS Communication Network Fiber Optic Conduit, Cables and Vaults	Input Required			Yes	Yes	Yes	Yes	
25	TCS Communication Network Fiber Optic Laterals/Directional Bores with Cable to Equipment Cabinet	Input Required			Yes	Yes	Yes	Yes	

No.	Express Lane Element/Components/Sub-system	Toll Services Provider (TSP)				DB Contractor			
		Design	Furnish	Install	Maintenance	Design	Furnish	Install	Maintenance
26	TCS Communication Network Fiber Optic Cable from Equipment Cabinet to Tolling Gantry and Equipment, Variable Toll Message Signs, and Changeable Message Signs	Yes	Yes	Yes	Yes	Input Required			
27	All Other Conduits and Pull Boxes	Input Required			Yes	Yes	Yes	Yes	
28	Electrical Service Cabinets with Concrete Pad/Foundation	Input Required			Yes	Yes	Yes	Yes	
Pavement									
29	Pavement for Express Lanes	Input Required			**	Yes	Yes	Yes	
30	Pavement for General Purpose Lanes				**	Yes	Yes	Yes	
31	Pavement for Shoulder				**	Yes	Yes	Yes	

*DB Contractor and Toll Services Provider need to coordinate on all items

**To Be Determined by RCTC

19.4 Key Performance Indicators

Table 19-2: Key Performance Indicators

TSP's obligations to meet KPIs and pay Performance Liquidated Damages or Performance Stipulated Damages are discussed in Section 11.5 and 11.6 of the Contract.

Item No.	KPI	KPI Description	Minimum Standard for KPI	Ramp-up – First 60 days Performance	Measurement	Reporting Frequency	LDs
1	Primary ETC Host Availability	Equal to or greater than 99.0% system availability excluding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	99.0%		=Total Primary ETC Host System Availibility in minutes per Month/ (Days in month x 24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per month during such month.
2	TMS Availability	Includes CCTV and Traffic Monitoring. Equal to or greater than 95.0% system availability excluding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	95.0%		=Total System Availibility in minutes per Month /(Days in month x 24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per month.
3	Primary CSC Host Availability	Equal to or greater than 99.0% system availability excluding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	99.0%		= Total Primary CSC Host System Availibility in minutes per Month / (Days in Month x 24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per month during such month.
4	MOMS Availability	Equal to or greater than 99.0% system availability exc/uding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	99.0%		= Total System Availibility in minutes per Month/(Days in Month x 24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per month.
5	VTMS Availability	Per VTMS. Equal to or greater than 99.0% system availability excluding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	99.5%		= Total System Availibility in minutesper Month /(Days in Monthx24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per week and Stipulated Damages
6	Toll Zone Equipment (any single component including AVI, AVD and LPR) Availability	Per Toll Point. Equal to or greater than 99.5% system availability excluding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	99.5%		= Total System Availibility in minutes per Month /(24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per week and Stipulated Damages
7	Transaction Integrity	No Loss of Trip Transactions and trips from lane to CSC: The ETC shall ensure that no Trip Transactions will be lost even when associated with periods when communications with the ROC is not available. Transactions recorded in-lane shall be reconciled with the Toll Host and CSC Host.	Zero Loss		Daily Processes and Monthly Summary Report (Submit with the progress report) ETC integrity reports shall be reconciled daily to assure that no Trip Transactions are lost. (TSP to provide report mechanism)	Monthly O&M	Performance Stipulated Damages pursuant to Contract Section 11.6.

Item No.	KPI	KPI Description	Minimum Standard for KPI	Ramp-up – First 60 days Performance	Measurement	Reporting Frequency	LDs
8	Image Capture	Capture human readable rear license plate images where both the plate number, issuing jurisdiction, and type are visible and the US state of registration is discernible.	99.0%		Daily Process and Monthly Summary Report (Submit with the monthly progress report). The ETC shall report the KPI of capturing human readable images of the correct vehicle where both plate number and US state are discernible. (TSP to provide report mechanism) The monthly percentage of readable license plate images out of total images capture minus non-maintenance related image rejects. Non-maintenance related image rejects include blocked plates, obstructions, missing plates, etc.	Monthly O&M	Performance Stipulated Damages pursuant to Contract Section 11.6
9	Variable Toll Message Sign (VTMS)	The ETC shall post the correct toll rate(s) and messages on the VTMS.	99%		Daily Process and Monthly Summary Report. TSP to provide reporting mechanism.		$5,000 per hour outside the minimum KPI standard - up to $10,000 per day
10	Compliance with ICD	100% of all required transmissions and acknowledgements completed every Business Day, per the requirements and specifications of each Interface Control Document for each interface.	100%		Monthly O&M report. TSP to provide reporting mechanism. Measured per file not exchanged accurately and timely in accordance with the ICD per day late.		$5,000 per file per day outside the Performance Requirement
11	Time to Respond – Priority 1	One hour Response Time			Measured per TCS incident, based on MOMS Monthly Summary Report	Monthly O&M	$500 for each incident for which the TSP did not meet the Response Time
12	Time to Repair - Priority 1	Three hour Repair Time			Measured per TCS incident, based on MOMS Monthly Summary Report	Monthly O&M	500 for each incident that doesn't meet the Repair Times
13	Time to Respond – Priority 2	Two hour Response Time			Measured per TCS incident, based on MOMS Monthly Summary Report	Monthly O&M	$500 for each incident for which the TSP did not meet the Response Time
14	Time to Repair - Priority 2	Forty-eight hour Repair Time			Measured per TCS incident, based on MOMS Monthly Summary Report	Monthly O&M	$500 for each incident that doesn't meet the Repair Times up to a maximum
15	Time to Respond – Priority 3	Twenty-four hour Response Time			Measured per TCS incident, based on MOMS Monthly Summary Report	Monthly O&M	$500 for each incident for which the TSP did not meet the Response Time
16	Time to Repair - Priority 3	Seven (7) day Repair Time or agreed upon schedule at RCTC's sole discretion.			Measured per day, based on MOMS Monthly Summary Report	Monthly O&M	$500 for each day beyond the requirement that the repair is not complete
17	Timely Reporting	The TSP is required to provide complete and accurate reports, as identified in Section 14 of the TPs, on the specified date to meet the reporting requirements and time. Specific critical reports with dates and times due will be defined in the D&D phase.			Daily Process and Monthly Summary Report. TSP to provide reporting mechanism. Measured as each report and each day late until complete and accurate report is received.		$1,000 per report per day late.
Item No.	**KPI**	**KPI Description**	**Minimum Standard for KPI**	**Ramp-up – First 60 days Performance**	**Measurement**	**Reporting Frequency**	**LDs**

18	Average Speed of Answer (ASA)	This is the weekly average number of seconds for a customer call to be answered by a live agent. This measurement will be the overall average number of seconds for all inbound customer calls from the moment they select a live agent option until their call is answered by a live agent.	(A) No more than 150 Seconds average over the week. (B) No more than 7 minutes average in any given hour during the Week	No more than 240 Seconds	Daily Process and Monthly Summary Report. TSP to provide reporting mechanism (from IVR system reporting) Measured each week, the average number of minutes, or portion thereof, over the minimum KPI standard. Measured each operating hour over the given week.	Monthly O&M	(A) $ 1,000 per thirty second increment that the average per Week exceeds 150 seconds; (B) $ 2,000 for each hour for which the average exceeds 7 minutes.
19	Abandon Rate	This is the monthly percentage of overall calls that abandon. This measurement will be comprised of the total number of inbound customer calls that disconnect after the customer requested to speak to a live agent and prior to having their call answered by a live agent.	2.0%	Less than 5.0%	Daily Process and Monthly Summary Report. TSP to provide reporting mechanism. (from IVR system reporting) Measured each month as the average number of abandoned calls divided by the total number of inbound calls.	Monthly O&M	$5,000 per month per percentage point, or portion thereof, over the minimum KPI standard.
20	Customer Satisfaction	This is the percentage of customers that rate their interaction as satisfied or very satisfied with their interaction with a CSR. The requirement is that 90% of all customers surveyed will rate their interaction as satisfactory or better. The survey response rate should be at a minimum of 15% of total inbound volume. The proposal must explain how Customer Satisfaction will be measured and reported.	90.0%		Measured as the percentage of customers rating their call center experience as “satisfactory” or better each month. Customers will be prompted to complete a short survey at the end of their call.	Monthly O&M	$1,000 per percentage point below the minimum each month.
21	Email Response	All inbound customer email correspondence must be responded to and resolved completely within 2 full Business Days of receipt. The requirement is that 98% will be resolved in 1 Business Day and 100% will be resolved in 2 Business Days.	100% in 2 Business Days	100% in 3 Business Days	Daily Process and Monthly Summary Report which must show a daily email correspondence aging report. TSP to provide reporting mechanism. Measured as the number of emails received on a given Business Day and responded to within each 2, 3, and more Business Days, each divided by the total number of emails received on a given day.	Monthly O&M	$25 per email per day late, or portion thereof
Item No.	**KPI**	**KPI Description**	**Minimum Standard for KPI**	**Ramp-up – First 60 days Performance**	**Measurement**	**Reporting Frequency**	**LDs**

22	Mail Response	All written customer mail correspondence must be responded to and action required by the CSC taken with 3 business days of receipt. Written correspondence is all customer mail correspondence to include responding to customer, making account updates/changes/requests, and scanning all documents and posted to the appropriate account.	100% within 3 Business Days	100% in 4 Business Days	Daily Process and Monthly Summary Report which must show a daily mail correspondence aging report. TSP to provide reporting mechanism. Measured as the number of correspondence received on a given Business Day and responded to within each of 3, 4, and more Business Days, each divided by the total number of emails received on a given Business Day. Receipt dates shall be the date mail is received from the post office and stamped. Responded to date is the date the correspondence reaches the USPS.	Monthly O&M	$25 per correspondence per day late or portion thereof.
23	Fulfillment Response	Customer transponder request will be fulfilled and sent to customers in less than 2 Business Days. This will include all Transponder requests as well as any other equipment or supplies associated with Transponders.	100% in 2 Business Days	100% in 3 Business Days	Daily Process and Monthly Summary Report which must show a daily fulfilment request aging report. TSP to provide reporting mechanism. Measured as the number of days between the date of the request and the date the Transponder reaches the USPS.	Monthly O&M	$2.00 per Transponder per day late, or portion there of
24	Payment Posting	All customer payments received through mail or walk-in shall be posted to the customer's account within 1 Business Day of receipt.	100% in 1 Business Day	100% in 2 Business Days	Daily Process and Monthly Summary Report. TSP to provide reporting mechanism. Measured from the date of receipt to the date of posting to the customer account and deposit to the bank. Postings and deposits shall occur on the same day.	Monthly O&M	5% of revenue delayed from posting or deposit
25	Image Quality	This is the percentage of correctly reviewed images that are posted to customer accounts and statements. The percentage of image license plate data recorded accurately in the CSC system is required to be at 98% or higher. Accurate license plate data includes a license plate number, type, and state recorded in the CSC system that matches the image. The requirement is that 98% of all images will be accurately read prior to posting to any customer account or statement. Reports that indicate how many license plate images were changed or dismissed post violation notice mailing compared to the total amount of license plate images mailed over each month will determine the quality percentage. The proposal must explain how Image Quality will be measured and reported.	98%		Daily Process and Monthly Summary Report. TSP to provide reporting mechanism. Ten percent of the violation images shall be reviewed monthly for accuracy. From this review, 98% of the images shall match the transaction data in the CSC system. The accuracy review shall include images and data as determined from OCR and human review, be a reasonable sampling from days throughout the month, day and night, from each toll point and each lane. The calculation will be the number of transactions associated with data requiring change or rejection in a month divided by the total number of images reviewed for accuracy for the month.	Monthly O&M	$1,000 per percentage point (or portion thereof) under the minimum performance requirement per month.
26	Image Review Backlog	First Review of all Images to be reviewed shall be within 3 days of the Lane Transaction.	Less than 3 Days (excluding Holidays)		Daily Process and Monthly Summary Report. TSP to provide reporting mechanism.	Monthly O&M	$50 per 500 images or portion thereof
Item No.	**KPI**	**KPI Description**	**Minimum Standard for KPI**	**Ramp-up – First 60 days Performance**	**Measurement**	**Reporting Frequency**	**LDs**

27	Image Review Reject Rate	This is the percentage of rejected images accurately coded with the correct reject reason. The requirement is that 95% of rejected images are coded correctly. There must be a minimum sample size of 10% of all rejected images reviewed to ensure proper reject coding occurred.	95.0%	90.0%	Daily Process and Monthly Summary Report. TSP to provide reporting mechanism. Measured as the number of correctly coded rejected images divided by the total rejected images reviewed in the sample size each month.	Monthly O&M	$1,000 per percentage (or portion thereof) under minimum performance
28	Mailing Notice Timing	Notices and correspondence shall be mailed within 3 Business Days of being eligible for mailing per the TSPs	3 Business Days	5 Business Days	Each notice or correspondence mailed more than 3 Business Days after being eligible for mailing shall be reported in a notice/correspondence aging report each month.	Monthly O&M	$1.00 per notice or correspondence per day (or portion thereof) late
29	Electronic Notifications	Electronic texts or emails eligible to be mailed per the Business Rules and TPs shall be sent within 24 hours.	24 hours	48 hours	Each electronic notification sent more than 24 hours after being eligible for notification shall be reported in an electronic correspondence aging report each month.	Monthly O&M	$1.00 per electronic notification per day (or portion thereof) late
30	Violation Expiration	Violation Notices shall be mailed according to the legal requirements for timing.	21 days if registered owner is known, additional 45 if needed		Violation aging report to include registered owner information request and receipt dates, and mailing date.	Monthly O&M	The average transaction price from the previous 30 days for each Violation transaction not noticed within the appropriate time frame.

19.5 Lane Closure Charts (RCTC Only)

See Contract Section 11 and Exhibit 22 of the Contract

19.6 Applicable Standards (RCTC Only)

Table below provides a list of standards, manuals, and guidelines that TSP must use to design and construct the project. Except as otherwise specified in the Contract or otherwise directed by RCTC, material and workmanship specified by the number, symbol or title of any standard established by reference to a described publication affecting any portion of the project must comply with the latest edition or revision thereof and amendments and supplements thereto in effect on the date of issuance of the last Setting Date. If the manual expires or revisions are issued during the course of the project, TSP shall contact RCTC to determine if it should continue to use the manual, use the revision, or if the standard, manual, or guideline will be replaced.

No.	*Organization*	*Description*
1	AASHTO	A Guide for Accommodating Utilities within Highway Right-of-Way
2	AASHTO	A Policy on Design Standards – Interstate System
3	AASHTO	A Policy on Geometric Design of Highways and Streets
4	AASHTO	A Policy On the Accommodation Of Utilities Within Freeway Right of Way
5	AASHTO	Load Resistance Factor design (LRFD) Bridge Design Specifications (Customary U.S. Units)
6	AASHTO	LRFD Bridge Construction Specifications,
7	AASHTO	Roadside Design Guide, Text with RSAP CD-ROMs and 2006 Chapter 6 Update
8	AASHTO	Roadway Lighting Design Guide
9	AASHTO	Manual for Bridge Evaluation
10	AASHTO	LRFD Specifications for Structural Supports for Highway Signs, Luminaires, and Traffic Signals, 1st Edition
11	AASHTO	Standard Specifications for Transportation Materials and Methods of Sampling and Testing, and Provisional Standards
12	ANSI	ANSI A300 (Part 1) - Pruning: Tree Care Operations - Tree, Shrub and Other Woody Plan Maintenance - Standard Practices
13	ANSI	ANSI Z133.1 - 2006. Standards for Arboricultural Operations: Safety Requirements
14	ANSI	ANSI Z60.1 American Standard for Nursery Stock
15	ANSI	Illuminating Engineering Society of North America Roadway Lighting ANSI Approved; RP-8-14 and RP-22-11 American National Standard Practice for Roadway Lighting
16	APWA	Southern California Chapter, Work Area Traffic Control Handbook (WATCH)
17	AREMA	Manual for Railway Engineering
18	ASTM	American Society of Testing and Materials Standards
19	ATSSA	Guidelines for the Use of Portable Changeable Message Signs
20	ATSSA	Quality Standards for Work Zone Traffic Control Devices

No.	*Organization*	*Description*
21	Department	215/91 Corridor Master Plan
22	Department	Standard Plans
23	Department	Standard Specifications July 2015 (excluding Sections 1-9)
24	Department	ARS ONLINE: Deterministic PGA Map and ARS Online Report, Fault Data Base, 2007 Fault Errata Report
25	Department	Bridge Construction Records and Procedures Manual, Volume I
26	Department	Bridge Construction Records and Procedures Manual, Volume II
27	Department	Bridge Deck Construction Manual
28	Department	Bridge Design Aids (BDA)
29	Department	Bridge Design Details (BDD)
30	Department	Bridge Design Practice, as appropriate
31	Department	Bridge Design Specifications (LFD Version, April 2000)
32	Department	Bridge Memo To Designers (MTD)
33	Department	Bridge Standard Detail Sheets-XS Sheets
34	Department	CADD User's Manual
35	Department	California Amendments to the AASHTO LRFD Bridge Design Specifications - V.3.06.01
36	Department	California Manual on Uniform Traffic Control Devices (CA MUTCD)
37	Department	California Seismic Hazard Map and Report
38	Department	California Test Methods
39	Department	Caltrans Environmental Handbook Volume 2 - Cultural Resources
40	Department	Caltrans Environmental Handbook Volume 3 - Biological Resources
41	Department	Caltrans Environmental Handbook Volume 4 - Community Impact
42	Department	Code of Safe Drilling Practices
43	Department	Code of Safe Surveying Practices

No.	Organization	Description
44	Department	Compatibility Specifications for Automatic Vehicle Identification Equipment (Title 21)
45	Department	Construction Manual
46	Department	Construction Policy Bulletins
47	Department	Construction Procedures Directives
48	Department	Deputy Directives by Number
49	Department	Design Information Bulletins
50	Department	Design Memoranda
51	Department	Design-Build Modifications to the Standard Specifications for Construction (excluding Sections 1-9)
52	Department	District 8 Drainage Report Submittal Guidance Memorandum
53	Department	Encroachment Permits Manual
54	Department	EZ Guide
55	Department	Falsework Manual
56	Department	Fiber Optic Design Guidelines
57	Department	Foundation Manual
58	Department	Foundation Report Preparation For Bridge Foundations
59	Department	Geotechnical Manual
60	Department	Geotechnical Services Design Manual
61	Department	Geotechnical Services Reports Titles and Guidelines
62	Department	Guidelines for Preparing Geotechnical Design Reports
63	Department	Guidelines for Structures Foundation Reports
64	Department	Highway Design Manual (HDM)
65	Department	HOV Guidelines for Planning, Design and Operations
66	Department	Independent Quality Assurance Manual

No.	*Organization*	*Description*
67	Department	Standards Special Provisions
68	Department	Landscape Architecture PS&E Guide
69	Department	Landscape and Structures Aesthetics Handbook
70	Department	Local Agency Structure Representative (LASR) Guidelines
71	Department	Maintenance Manuals
72	Department	Outline of Field Construction Practices
73	Department	Overhead Sign Foundation Guidelines
74	Department	OFSP Information and Procedures Guide
75	Department	Pavement Policy Bulletins
76	Department	Pavement Tapers and Transitions Guide
77	Department	Plans Preparation Manual
78	Department	Prestress Manual
79	Department	Project Development Procedure Manual
80	Department	Ramp Meter Design Manual
81	Department	Safety Manual
82	Department	Seismic Design Criteria (SDC)
83	Department	Seismic Design Specifications for Steel Bridges (Steel SDS)
84	Department	Signal, Lighting, and Electrical System Design Guide
85	Department	Soil and Rock, Logging, Classification, and Presentation Manual
86	Department	Statewide Storm Water Management Plan (SWMP)
87	Department	Storm Water Quality Handbook: Project Planning and Design Guide
88	Department	Structural Detailing Standards
89	Department	Staking Information Booklet
90	Department	Surveys Manual
91	Department	The Plant Setback and Spacing Guide
92	Department	Trenching and Shoring Manual
93	CAPUC	G.O. 128 - Rules for Construction of UG Electric Supply & Communication Systems

No.	Organization	Description
94	City of Corona	Planning Division Design Guidelines
95	City of Corona	Public Works Standard Plans and Special Provisions
96	City of Corona	Existing and Proposed Bicycle Facilities
97	City of Corona	Special Provisions, Section T - Traffic Signals and Street Lights Supplement and amendment to the Standard Specifications for Public works Construction (Green book)
98	City of Corona	Standard Plans and Specifications for Water and Sewer
99	City of Corona	Department of Water and Power Design Policy
100	City of Corona	Local Streets Within The City Of Corona Impacted By The SR-91 Corridor Improvement Project Letter
101	County of Riverside	Signal and Lighting, Special Provisions
102	County of Riverside	Road Improvement Standards & Specifications (Ordinance 461)
103	CTOC	Technical Specifications for Interagency Electronic Data Interchange
104	Greenbook Committee	Standard Specifications for Public Works Construction (Greenbook), including all supplements
105	International Society of Arboriculture (ISA)	Best Management Practices: Tree Pruning
106	NCHRP	Report 350, Recommended Procedures for the Safety Performance Evaluation of Highway Features
107	NFPA	NFPA 502: Standard for Road Tunnels, Bridges, and Other Limited Access Highways
108	RCFC&WCD	Riverside County Flood Control & Water Conservation District Hydrology Manual
109	RCFC&WCD	Riverside County Flood Control & Water Conservation District Standard Drawings
110	BNSF/UP	Guidelines for Railroad Grade Separation Projects and Guidelines for Temporary Shoring

No.	*Organization*	*Description*
111	RCTC	Right Of Way Policies and Procedures
112	Various	Western Riverside County MSHCP Sections 6.1.4 [Guidelines Pertaining to the Urban/Wildlands Interface] and 7.5 [Guidelines for Facilities within Criteria Areas and Public/Quasi Public Lands]
113	FHWA	Manual on Uniform Traffic Control Devices
114	BNSF/UP	BNSF Railway – Union Pacific Railroad Guidelines for Railroad Grade Separation Projects

19.7 TCS Infrastructure Baseline (RCTC Only)

The following are the TCS Infrastructure Baseline Requirements.

Toll Gantry Requirements

- Each gantry must support a minimum of 300 lb. of TCS Equipment in addition to meeting all Department Standards including wind and traffic loading.
- Gantry must allow TCS equipment to be suspended 19-20ft above the center of each lane of travel and meet all vertical clearance requirements per Department Standards.
- A single cantilevered gantry structure per toll zone
- 0.5” maximum deflection
- 2HZ maximum vibration
- Maximum of 2 roadside cabinets to support toll zone equipment at a maximum of 300 feet from the gantry post
- Median mounted pole for VES camera approximately 25 feet upstream of gantry (may be excluded by TSP vendor solution)

VTMS Gantry Requirements

- Each gantry must support 700 lb. of VTMS LED Panels (does not include static sign panels) in addition to meeting all Department Standards including wind and traffic loading.
- A single cantilevered structure per VTMS location
- Maximum of 2 roadside cabinets to support VTMS equipment at a maximum of 300 feet from the VTMS gantry post, preferable upstream of VTMS location so maintenance crew can view VTMS sign while at the cabinets

CCTV Requirements

- Per Department Standards
- Assume 1 per mile (covers both directions)

CMS Requirements

- Per Department Standards

Traffic Detection Requirements

- Pole for Side fire Vehicle Detection Equipment Per Department Standards
- Assume 1 per mile

Misc. Requirements

- Median Mount Pole required for directional beacon at CHP observation area
- 1 median mounted support per direction for Vehicle Occupancy Detection (scoped through PDR only)

20 EXHIBITS

20.1 Occupancy Detection System (ODS)

The following scope is for the Back-office integration of ODS. ODS is currently deployed on the RCTC 91 Express Lanes but could be installed on the OCTA 91 Express Lanes and the RCTC 15 Express Lanes. This scope is for the back office system integration of ODS not roadside integration. Any additional roadside installations will be a change order which will include the cost to install at each location and associated CSC work related to ODS image review.

20.1.1 TSP shall include the following application, UI and correspondence to incorporate the ODS data:

1. Transaction validation (This includes Impact analysis and Design changes)
    a. Once the SDR structure is received from the lane system, the system shall identify the ODS flag fields inside it.
    b. The system shall record new field data into the database along with ODS Flag and Image Data after the system has verified the ODS-related information.
2. Image Download (This includes Impact analysis and Design changes)
    a. The system shall implement the process to take the ODS image URL and Name from the BOS database and request to connect the lane system to download the images and store them into BOS separate location.
3. Transaction Processing (This includes Impact analysis and Design changes)
    a. New discounts logic based on the ODS flag, and ODS Fee assessment based on the configurable values shall be implemented. The system shall maintain the 2 configurable values.
        i. Fee Amount
        ii. Enable the Fee (Y/N).
        iii. Order of the Discounts (Veterans, Special Access and HOV)
        iv. Carpool Indicator - Counter for ODS
        v. Violation processing will have the option to include the toll charge and ODS fee
4. IOP Transactions
    a. New discounts logic based on the ODS flag, and ODS Fee assessment based on the configurable values shall be implemented. The system shall maintain the 2 configurable values.
        i. Fee Amount
        ii. Enable the Fee (Y/N).
    b. Transaction details will be distributed to IOP agencies in accordance with the technical specification version the receiving agency is using.
5. Trip History Page Changes Internal Portal and External Portal including images.
    a. ODS flag and ODS images shall be displayed in Trip History page in Internal and ODS Flag in External Portal
6. New Case Creation flow (creation/approval/rejected) including correspondences for RCTC transactions for 91 EL and IOP Customers.

a. New ODS case type shall be set up in the system and case flow.
b. The system shall validate only eligible trips raise an ODS dispute in Internal and External Portal. Case approval and rejected shall be implemented with related Correspondences.
c. New Adjustment Reason shall be implemented for processing adjustments for the trips when the ODS dispute case is approved.

7. IOP Case Creation flow (creation/approval/rejected) including correspondences. a. Manually a CSR will create the IOP case when an email is received from IOP. Based on the IOP trip images reports REP can be approved/rejected the case.
8. Reports
    a. Tolls and Fees Report
    b. Toll Revenue Report
    c. ODS Images/Trips - New Report
    d. IOP Images Report
    e. Case Reports
    f. Correspondence Reports

20.1.2 Operations Process Changes:

1. Call Center Handling
    a. The call center anticipates receiving additional calls from customers disputing trips.
    b. CSRs shall submit an ODS Dispute case on behalf of the customer.
2. ODS Dispute Handling
    a. 91EL Customers via Phone
        i. CSRs shall review trips with customers and submit an ODS Dispute case.
        ii. CSR Case Processers shall review case details and determine if case should be approved or rejected.
            1. Approved-Credit issued to the account, Case and Account is noted, and email correspondence is triggered.
            2. Rejected-Case and Account is noted, and email correspondence is triggered.
    b. 91EL Customers via Customer Portal
        i. CSR Case Processers shall review case details and determine if case should be approved or rejected.
            1. Approved-Credit issued to the account, Case and Account is noted, and email correspondence is triggered.
            2. Rejected-Case and Account is noted, and email correspondence is triggered.
            3. IOP Customer
        ii. The CSC Leadership Team receives ODS Trip Dispute request via email from IOP agency. CSC Lead/Supervisor shall create an ODS General case.
        iii. The CSC Manager shall review the case details and images to determine if IOP customers should receive credit for trips.

1. The CSC Manager shall notify the IOP agency if credit is approved or rejected and close the case.

3. System Monitoring and Enhanced Application Monitoring
    a. Daily System Checks for:
        i. Image download confirmation
        ii. Verify appropriate discounting.
        iii. Trend analysis and baseline establishment.
4. Finance Reconciliation
    a. Credit Reporting Process for Invoicing
    b. Credit Reporting Process for All IOP Agencies for GL Reconciliation with the Trial Balance
    c. IOP AR Accrual and Settlement Journal Entries for All IOP Agencies

20.1.3 RCTC 91 Express Lanes Storage Information

1. 5 images in total will be received per OBS transaction.

2. Approximately 600KB (for three images) in storage is needed per ODS transaction.

3. Approximately 50,000 monthly transactions are anticipated.

4. ODS Images will follow the same data retention rules as other transactions images and will be retained for 4.5 years.

20.2 91 Express Lanes Traffic Operations Center

TSP shall staff operators to oversee daily operations of the 91 ELs 24 hours per day, 365 days per year at the TOC Anaheim Processing Center. The TOC system, also referred to as the Advance Traffic Management System (ATMS), is provided by Agencies. The TSP shall have the following responsibilities for the Agency 91 Express Lanes:

- Detect, verify, log, notify, respond, monitor and clear the express lanes and operations of the toll collection systems;
- Coordinate express lanes roadway activities and incidents with the applicable Agency's staff; CHP, Caltrans, contractors, freeway service patrol, the TSP lane system contractors within each county, operations center for each agency; I-15 TOC (RCTC), I-405 TOC (OCTA), and the BOS administrators as required;
- Develop incident reports;
- Develop traffic and revenue cost estimates related to roadway incidents as requested by the agencies,
- Monitor all 91 Express Building and facilities including TUB's, CSC and Roadway Maintenance Staging areas.;
- Monitor and control of Changeable Message Signs (CMS) and CCTV systems;
- Responsibility to update toll rates and pricing for OCTA and posting per OCTA instructions;
- Troubleshoot of CCTV cameras, video wall, CMS signs;
- Retrieval, tracking and storage of CCTV recording, including following company policy regarding conditions for their release ;

- Notification and coordination of TOC system issues and repairs with the TOC/ATMS/CCTV/CMS sign contractor; and
- Manage special data requests from agencies.
- Maintain records and logs of incidents, system checks, toll rate verification and other daily checks as specified by Agencies;
- Assist Agencies with TOC tours as requested.

Develop and enforce standard operating procedures (SOP). TOC SOP shall be a living document and approved updates will be followed by the TSP. TSP shall update the TOC SOP at least once a year or more frequently as requested by Agencies.

Exhibit 25

Attachment 2

Scope of Work:

Business Rules

[attached behind this page]

Riverside County Transportation Commission

BOS - Business Rules Document

Confidential

Document Control

Document Name	RCTC_I15 EL_BOS - Business Rules Document
File Name	20200817_Kapsch_RCTC_I15 EL_BOS-BRD_v3.0
Contract #	16-31-043-00
Project Title	I15 Express Lanes
Client	Riverside County Transportation Commission (RCTC)
Project Manager	Jason Stewart

Change Notice

Rev #	Change Reason	Quality Control	Quality Assurance	Completed
A1	Initial Draft Submittal	N/A	Kapsch	10-06-2017
A2	Addressed Comments	N/A	Kapsch	11-27-2017
A3	Addressed Comments	N/A	Kapsch	01-19-2018
A4	Addressed Comments	N/A	Kapsch	02-05-2018
A	First Approved Version	N/A	Kapsch	02-06-2018
2.1	Recalled Submission	Donna Currie	Samuel Herbert	04-02-2020
2.2	Workshop Revisions	Donna Currie	Samuel Herbert	06-15-2020
2.3	Comment Revision	Donna Currie	Samuel Herbert	08-04-2020
3.0	Second Approved Version	N/A	Samuel Herbert	08-17-2020

Reference to the status- and version administration:

Status:

Draft the document is being processed

Released	the document has been checked and released; it can only be modified if the version number is updated.
Final	the document is complete

Versions:

1.0, 1.1, etc.	"**Released**" versions
2.0	Accepted version with the status "**Final**"
2.1, 2.2, etc.	Minor revisions, supplements to version 2.0

Reference to the data classification	
Public	No restriction
Internal	Restricted to internal and external Kapsch employees (default)
Confidential	**Restricted to selected active directory and/or SharePoint groups,**
Secret	Restricted to selected employees, server encryption needed

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1 General

1.1 Purpose of this document

The purpose of this document is to record the business rules of the Orange County Transportation Authority (OCTA) and Riverside County Transportation Commission (RCTC). Business Rules are intended to assert business structure or to control or influence the behavior of the business. The Business Rules listed here identify all the decision points within the processes executed to operate the toll collection system and serve the Agency's customers. For each decision, the rules, the terms used in those rules and the rule's source will be documented. Additional process diagrams and narratives are added to clarify and provide context to the business rule.

1.2 Abbreviations

The following table contains a list of abbreviations used within this document.

Abbreviation	Description
ACH	Automated Clearing House
BOS	Back Office System
BRD	Business Rules Document
CA	California
CALTRANS	California Department of Transportation
CAV	Clean Air Vehicle
CCTV	Closed Circuit Television
CHP	California Highway Patrol
CRUD	Create, Read, Update and Delete
CSC	Customer Service Center
CSR	Customer Service Representative
CTOC	California Toll Operators Committee
CW	Customer Website
DCA	Debt Collection Agency
DMV	Department of Motor Vehicles
DSS	Data Security Standard
ENF	Enforcement
FL	Fleet Accounts
FTB	Franchise Tax Board

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Abbreviation	Description
FTT	Financial Transaction Type
GL	General Ledger
HOV	High-Occupancy Vehicle
HOV3+	High-occupancy vehicle (3 or more people)
ICD	Interface Control Document
ID	Unique Identification Number
IOP	Interoperability
IVR	Interactive Voice Response
LPN	License Plate Number
NOR	Notice of Resolution
NDTEV	Notice of Delinquent Toll Evasion
NSF	Non-Sufficient Funds
NTEV	Notice of Toll Evasion
OCTA	Orange County Transportation Authority
ODR	Occupancy Detection Review
PAN	Primary Account Number
PCI	Payment Card Industry
PCI-DSS	Payment Card Industry Data Security Standard
PCM	Phone Call Management
PII	Personally Identifiable Information
PIN	Personal Identification Number
POS	Point of Sale
RCTC	Riverside County Transportation Commission
RH	Registration Hold
ROC	RCTC Operations Center
SAD	Sensitive Authentication Data
SM	Shift Management
SMS	Short Message Service
TP	Trip Posting
TSP	Toll Service Provider

Abbreviation	Description
VES	Violation Enforcement Systems

Table 1 List of used abbreviations

1.3 Definitions

The following table contains a list of defined terms commonly used within this document:

Term	Definition
Admin Privilege	Provides the ability in the system to grant access for specific functionality to a user or group. This privilege option is mainly used for actions (e.g., Replenishment, Open an Account, Edit an Account, etc.)
Account	The Account (Prepaid, Non-revenue, Violation) linked to a customer and associated with a payment method (if applicable). An account can include one or more transponders and/or vehicles.
Acquiring Agency	The owner/operator of the home agency for the facilities where a toll transaction occurred.
Affidavit of Non-Liability	The registered owner served has indicated that the car was not in their possession prior to the date of the alleged violation. Valid reasons include that the vehicle was stolen, rented, leased, or transferred in a bona fide sale prior to the date of the alleged violation.
Agency	OCTA and RCTC
User	An employee of OCTA/RCTC or an OCTA/RCTC subcontractor, working in the CSC, TOC, or remotely, who is maintaining and operating the system components for the agencies and their customers.
Automatic Replenishment Amount	The amount that will be automatically replenished by the system to a prepaid account.
Check 21	The processing of checks electronically to the bank without the transfer of an actual check.
California Highway Patrol (CHP)	State law enforcement agency under contract to the agencies to perform toll and High-Occupancy Vehicle (HOV) enforcement.
Configurable Parameters	Configurable Parameters in the system are referenced in the document by double asterisks (**). Maximum, Minimum, and Default values for each of the Configurable Parameters are defined in Appendix II. (Note: the values in this document represent the initial values. Values may change after the system goes live.)
Debit Card	The debit cards referenced in these business rules have the Visa or Master Card logo which are processed as credit cards.
Delivery Channel	Customer contact method. Valid methods are phone, SMS text message, email, or mail.

Term	Definition
Facility Code	A number within a range of numbers assigned by CALTRANS to the Issuing Agency, which is programmed into the transponder for automatic identification purposes.
Financial Transaction	Any transaction that affects the balance of the account, or OCTA/RCTC financial reporting.
Financial Transaction Type (FTT)	Defines the various types of financial transactions, indicating the reason why a financial transaction is created. For example: • Toll • Payment • Replenishment • Toll Adjustment • Customer Service Adjustment • Promo Credit • Refund Balance • Fee
General Ledger	Master set of accounts summarizing all journal entries. This allows aggregation of the required business information into financial statements.
Home Account	A road user with an Agency account (non-revenue or prepaid account).
High-Occupancy Vehicle (HOV)	A vehicle transporting 2 or more occupants and defined by the acquiring agency.
High-Occupancy Vehicle (HOV) 3+	A vehicle transporting 3 or more occupants.
Initial Deposit	The initial amount required for the customer to open a Prepaid Account. This amount may be used to pay for previous toll transactions, as well as any future toll transactions.
Interoperable Account	An account with a different home agency.
Investigative Review	The process in which a Trip or Violation can be disputed with a provided reason and a review will be performed.
Issuing Agency	The entity that establishes the account and issues transponders.
Late Toll Transactions	Toll transactions produced from the lane side and not immediately forwarded to the Customer Service Center (CSC). For example: due to technical issues.
Money Order	A payment method for a pre-specified amount of money. This type of payment is treated in the system as a check. i.e.: a picture of the Money Order will be taken as per Check 21 regulations.
Notification Templates	The possible notice options for communication with the primary contact, language, and the possible Delivery Channel options.

Term	Definition
Pay-by-Plate Toll Transaction	When a transaction is paid by a plate that is associated with a prepaid account.
Payment Gateway	A payment processing service provided by an e-commerce application service provider that authorizes credit card or direct payments processing. A payment gateway facilitates a payment transaction by the transfer of information between a payment portal and the front-end processor or acquiring bank.
Personal Identification Number (PIN)	Customer creates a 4-digit numeric code to access the IVR phone system.
Plate	The license plate of a vehicle issued by a Department of Motor Vehicles or Department of Licensing.
Primary Account Number (PAN)	The PAN is the account number visible on credit, debit, and stored value cards. This number is transmitted to a payment processor to charge an account.
Privilege	Specific access to a particular module task or process. Access to all the functionalities is managed through privileges.
Privilege Types	Privilege Types are as follows: • Access Privilege (Grants access to a Module and function). • Edit Privilege (User can edit fields within the module or function). • View Privilege (User is only able to view fields within the module or function). A functionality will have only one privilege type (which can be granted or revoked depending on the User privileges).
Replenishment	Your account will be automatically replenished $40, or the equivalent of one-month's usage averaged over a three-month period (whichever amount is greater), each time your account balance falls below $15, or one-week's usage averaged over a three-month period (whichever is greater).
Replenishment Threshold	The level in which the system will process a payment using the payment method on file, or register a "Low Balance" notification, to inform the customer that the account needs replenishment.
Statement	A summary generated for prepaid or non-revenue accounts. These documents inform customers of their current balance, payments, charges, and trips (i.e.: statements for Non-Revenue Account will just contain trips).
Suspension Threshold	The threshold for both time duration and balance that will trigger an account status to become suspended.
Temporary Paper Plate	A temporary license plate of a vehicle issued by a Department of Motor Vehicles or Department of Licensing.
Tokenization	A unique code provided by the merchant service provider used to identify a specific credit card.

Term	Definition
	Tokenization is used by the system to reduce security risks inherent in the collection and transfer of highly sensitive data.
Toll Net Amount	Gross toll amount – ∑ [Discounts].
Toll Transaction	Toll Transactions created at the lane-side for every vehicle that goes through the tolling location.
Transponder	A device in or on the vehicle, issued by an issuing agency to identify toll transactions captured by the lane-side. The device functions through radio frequency identification and returns the information programmed into it.
Transponder ID	A unique ID that is read by the lane system for each transponder.
Transponder Status	An indicator attached to each transponder describing its current status. Assigned: Active and associated with a prepaid account Replaced: Inactive due to operation of device Lost in Mail: Customer states they never received it Returned: Transponders returned by USPS or customer to be re-entered into inventory Inactive: Deactivated
Transponder Type	The physical type of transponder that is tracked in the system, such as an internal, external, or switchable transponder.
Trip	A billable transaction unit created by combining one or more toll transactions. A toll transaction is defined as one or more billable transaction(s) with one Entry and Exit point.
Universal Non-Revenue	Non-Revenue accounts that are recognized and shared across the CTOC network are called Universal Non-Revenue.
Violation Account	Accounts to post the trips of license plates that are not associated with an active prepaid, non-revenue, or Interoperable account.
Violation Enforcement System (VES)	Roadside equipment used for video enforcement, using video cameras to capture potential violator's license plate for further identification and forwarding to a violation processing system.
Violation Escalation Process	Escalation process for a Notice of Toll Evasion: Notice of Toll Evasion Violation (NTEV) Notice of Delinquent Toll Evasion Violation (NDTEV) Notice of Resolution/Pre-Collections Registration Hold (RH)
Violator	A registered owner of vehicle that is not associated with an active prepaid account
**	Configurable

Table 2 Definitions

1.4 Referenced Documents

Ref. No	Doc No	Doc Type	Document Title
[1]	KTCPRO-777515366-325	XLSX	RCTC_I15_Configurable Parameters.xlsx
[2]	CA Vehicle Code	Web Archive	CA Vehicle Code. ARTICLE 4. Procedure on Toll Evasion Violations [40250 - 40273]

Table 3 List of Referenced Documents

2 CSC Business Rules

2.1 Account Management

The Account Management business rules define how the system will handle the lifecycle of a customer account through various processes including creation, activity, suspension, pending closure, and closure. This section will also detail account reporting and communications with the customer and different thresholds required for each account.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-1	Account Types	The system shall have these account types: • Standard Prepaid Account (Transponder-Based) • Convenience Plan (Transponder Based) • Violation • Fleet • Non-revenue o Universal Non-Revenue (Not currently in use) o Local non-revenue account discounts will be applied to the designated segment for which they are eligible.
CSCBR-AM-2	Account Enrollment Channels	Customers are uniquely identifiable in the system and have different channels for enrollment. See the Enrollment Channels Per Account Type table.

Table 4 Account Creation Process Rules (1-2)

2.1.1.1 Enrollment Channels Per Account Type

Short Name	Prepaid	Convenience	Fleet Accounts	Non-Revenue	Violation Account
Account Types (Defined)	Customer created prepaid toll account	Customer created prepaid toll account	A business created tolling account for large quantity vehicles	Free toll account created in cooperation with OCTA/RCTC	Automatically Created by the system
Enrollment Channel	• Walk-in • Mail • Phone (CSR) • Website	• Walk-in • Mail • Phone (CSR) • Website	Agency Approval only	Agency Approval only	• BOS • CSC

Table 5 Enrollment Channels Per Account Type

2.2 Account Statuses

Rule	Short Name	Condition/Rule Description
CSCBR-AM-3	Prepaid Account Status Incomplete	A Prepaid account will be in the incomplete status until account registration is completed or closed.
CSCBR-AM-4	Prepaid Account Status Active	The Prepaid Account becomes activated once the enrollment information is completed, there is at least (1**) active vehicle, and a payment has been received.
CSCBR-AM-5	Non-Revenue and Fleet Account Status Active	The Non-Revenue and Fleet Accounts become active when the enrollment information has been completed and there is at least (1**) active vehicle.
CSCBR-AM-6	Violation Account Status Active	Violation accounts are active when there is at least (1**) active license plate on the account and DMV has identified a registered owner for the time of the toll transaction.
CSCBR-AM-7	Prepaid Account Status Suspended	Suspended Prepaid (Standard/Convenience plan) accounts will not charge the account maintenance fee or generate statements. Customers can access their accounts online during the time of suspension to make a payment on their account and update their payment method.
CSCBR-AM-8	Account Status Pre-Close	Any account that has a request for closure will be set to pre-closed status for (21**) days to allow toll transactions pending processing to post.
CSCBR-AM-9	Account Status Closed	Toll Transactions will be rejected and an NTEV will be created.

Table 6 Account Statuses Rules (3-9)

2.2.1 Account Creation

Rule	Short Name	Condition/Rule Description
CSCBR-AM-10	Prepaid Accounts Creation	Account enrollment will be available through the following channels: • Walk-in center • Mail • Phone (CSR) • Website • OCTA Store Retail transponder activation will be available through the following channels (Not currently in use): • Website • Phone (CSR) • Walk-in center • OCTA Store The required fields when adding customer information depend on the enrollment channel (see Enrollment Required Information per channel)

Table 7 Account Creation Process Rule (10)

2.2.1.1 Enrollment Required Information Per-Channel

Field	Walk-in	Mail	Phone	Website
First Name	x	x	x	x
Last Name	x	x	x	x
Suffix				
Company Name (if applicable)				
Billing Address	x	x	x	x
Shipping Address (if applicable)				
Primary Phone number	x	x	x	x
Secondary phone number				
Email address	x	x	x	x
Login and Password				x
Vehicle Information	x	x	x	x
Marketing source				
Marketing promotions (opt-in)				

Field	Walk-in	Mail	Phone	Website
Member/Club Card				
IVR PIN				x
Language Preference				x
Agree to Account Terms and Conditions	x	x	x	x
Statement Delivery Method	x	x	x	x
Payment Information	x	x	x	x

Table 8 Enrollment Required Information

Legend: x = mandatory; <empty> = optional

2.2.2 Account Creation (Continue)

Rule	Short Name	Condition/Rule Description
CSCBR-AM-11	Customer Preferred Language	Customers will be able to specify “English” or “Spanish” as their preferred language for email notifications and the website. The Default Language will be “English”.
CSCBR-AM-13	Vehicles	The system will require the following for vehicles: • LPN • State • Plate Type (Required only for out-of-state plates that the state requires a plate type for customer lookup.)
CSCBR-AM-14	Active Vehicle	A vehicle is active at the time of a toll transaction if the start date is in the past, and either has no end date, or the end date has not elapsed.
CSCBR-AM-15	Transponders for Non-Revenue Accounts	Per each non-revenue account, the mandatory use of transponders is at Agency’s discretion.
CSCBR-AM-16	Motorcycle Transponders	Motorcycle transponders will be issued. They will be flagged as a motorcycle to provide for toll discount.
CSCBR-AM-17	Minimum and Maximum number of LPNs and transponders on an account	The system shall not limit the number of LPNs, but must be equal to or greater than the minimum of (1**) vehicles and (1**) transponder.
CSCBR-AM-18	Account Creation Relationship Transponder and LPN	On account creation, a transponder is required for all vehicles
CSCBR-AM-19	Switchable Transponders	The system shall not assign Switchable transponders to a specific vehicle. A switchable transponder may move from vehicle to vehicle.
CSCBR-AM-20	Switchable Bundle	When the customer purchases the switchable transponder and sticker bundle the system shall charge a discounted rate.
CSCBR-AM-21	Retail Transponder	A customer can obtain a transponder through a retail vendor. Retail transponders may be added to an existing account or used in creating a new account. (Not currently in use)
CSCBR-AM-22	Temporary Vehicles	A temporary vehicle requires a start and end date.
CSCBR-AM-23	Temporary Vehicle Transponders	Temporary vehicles do not require a transponder when it is added to a prepaid account if the end date is less than (7**) days in the future, or a switchable transponder is on the account. To receive the HOV discount on the 15, a switchable transponder is required.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-24	Add LPN	A LPN can be added to an existing account with no limit to the start date.
CSCBR-AM-25	Transponder Activation Walk-In	Transponders shall be active at the time of the assignment to an account if provided to the customer directly at the walk-in center.
CSCBR-AM-26	Transponder Activation Mailed	Mailed transponders shall have a delayed activation of (0**) days.
CSCBR-AM-27	Transponder Activation Retail	Transponders purchased at a retail location shall be activated from the web, by a CSR over the phone, or at the walk-in center by using an activation code. (Not currently in use).
CSCBR-AM-28	System Transponder Correlation	A sticker transponder is correlated to a vehicle within the customer account after the system identifies the sticker transponder on a vehicle with a readable LPN after (1**) consecutive trip(s).
CSCBR-AM-29	Manuel Transponder Correlation	An Authorized User has the ability to manually correlate and un-correlate a Transponder from a LPN.
CSCBR-AM-30	Sticker Transponder Correlation Changes	The system shall track correlation changes on sticker transponders.
CSCBR-AM-34	Pay-by-plate Fee Assessment	A pay-by-plate fee of $(2**) per trip will be assessed if it is determined that a customer has excessive video tolls. Excessive video tolls will be based on the past (30**) calendar days of a vehicle's trips where: • More than (10**) pay-by-plate trips have occurred • When the total number of pay-by-plate trips is greater than (30**)% of the total trips for that vehicle in that period.
CSCBR-AM-35	Pay-by-plate Fee Communication	Once the pay-by-plate fee has been assessed: • The first time they are out of compliance, communication will be sent by all available channels. • If they are out of compliance on subsequent checks, the pay by plate fee will be charged on each new plate-based trip.
CSCBR-AM-36	Pay-by-plate Fee Removal	The pay-by-plate fee will be stopped by: • An authorized CSR • If the customer becomes compliant on a subsequent check.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-37	Pay-by-plate Fee Assessment	Registered Account will be flagged for qualification of Pay by Plate response notification credit of $5.00 when Pay by Plate Letter 1 is sent. The $5.00 credit will be issued to the Registered Account if the offending vehicle is linked to a new sticker transponder before the Pay by Plate Letter 2 is sent. Non-revenue accounts do not qualify for Pay by Plate processing. Once eligible, a pay by plate fee of $2.00 per trip will be charged for the top (**250) accounts with image-based tolls in a rolling 30 days from the date of eligibility. The pay-by-plate fee will be stopped if the license plate is read by the in-lane system on the 91 and 15 Express Lanes with an active transponder.
CSCBR-AM-38	Generation of Statements	The frequency of statement generation can be configured according to customer preference either monthly or quarterly, on the account anniversary date. The Statement notifications, per customer selection on delivery, are sent via: • Email: monthly (link in an email) • Mail: monthly or quarterly $(2.00) fee added • Walk-in on demand: No charge Statements will consist of all trips, charges, and payments on the account for the selected statement frequency.
CSCBR-AM-39	Account Statement Details	The system will generate Account Statements including: • Prior statement ending balance • Toll transaction/trip activity * • Payments (including replenishments and one-time payments) • Adjustments and credits • Discounts and financial adjustments performed • Promotions • Transponders purchase • Fees *Non-revenue statements will only contain data for trips and tolls.
CSCBR-AM-40	Statement Delivery Channel	Customers can select a statement delivery channel or can opt-out of a statement delivery notification. If an email address is present on the account, the default method for statement delivery is email.
CSCBR-AM-41	Update LPN on account	If the LPN for an existing vehicle is being updated, the sticker transponder will be disassociated from the previous LPN and reassociated with the new LPN, if applicable.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-42	Accounts Bankruptcy	When the account is marked for “Bankruptcy”, the account is put on hold for any further financial transaction life cycle processing. • If an Order of Discharge is received, system should dismiss tolls if it is Ch. 7 or Ch. 11. If Ch. 13, settlement is applied, then remaining tolls and penalties will be dismissed. • Trips and penalties after bankruptcy date will be pursued. • If Bankruptcy is dismissed, the account is re-activated and the violation process resumes. • If Bankruptcy case is approved and notice received is anything but an Order of Discharge, a note will be populated indicating a Bankruptcy notice was received. If discharged, all DMV Holds and Collections should be released.
CSCBR-AM-43	Deceased Customers - Prepaid	When the account is marked for “Deceased”, the account is put on hold for any further financial transaction life cycle processing. • Certificate of death must be provided. • When death is confirmed, any unpaid financial transactions before the date of death will be written off. • The vehicle, and associated transponder if applicable, will be end-dated with the date of death. • If the deceased is the only contact on the account, the account will be closed.
CSCBR-AM-44	Self Service Customer Accounts Functions	The Self-Service Customer Account Functions are limited by the selected channel. Available channels are: • IVR • Website • Third Party Payment Provider Functions and their available channel are described in Table 10 Self Service Functions Per Channel.
CSCBR-AM-45	Member/Club Card	A membership or club card may be added to the account (at the time of registration only). It may be referenced to add a specific promotion. In addition, AAA Club Cards should be verified for 16-digit length.

Table 9 Account Creation Process Rules (11-44)

2.2.3 Self Service Functions Per Channel

Functions	IVR	Website	Third Party Payment Provider
Customer Log in	x	x	
Customer Change Password		x	

Functions	IVR	Website	Third Party Payment Provider
Request Password Reset		x	
Create Account		x	
Reset IVR PIN	x	x	
Set IVR PIN		x	
Add or Modify Replenishment/Payment Method	x	x	
Make a Replenishment Payment	x	x	x
View / Edit Account Notification Preferences		x	
View / Edit Account Demographic Information		x	
Report a transponder as Lost/Stolen		x	
Add or remove Transponders to/from an Account		x	
Add or remove LPN to/from an Account		x	
Request additional transponders	x	x	
View violations associated to an account	x	x	
Pay violations in full (Any Status)	x	x	x
Pay violations (partial payment)			x
View Account Cases (e.g.: disputes)		x	
Create Dispute Cases		x	
Select multiple violations to appeal		x	
View account trips	x	x	
Download/Print Account Statements and Payment confirmation		x	
Download/print violation notices		x	
View account payments and refunds		x	
Get account balance	x	x	
View activity history of LPN or Transponder		x	

Functions	IVR	Website	Third Party Payment Provider
View account activity history		x	
View customer notifications		x	
Close account: initiate the account closure process		x	

Table 10 Self Service Functions Per Channel

2.2.4 Accounts Suspension Process

The following section describes the Prepaid account suspension process.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-46	Account Suspension	The Prepaid account will be suspended after all the following occurs: • (10**) days after the Low Balance letter has been mailed. • The Account's Balance is less than 0
CSCBR-AM-47	Penalties and Fees for Suspended Customers	When a customer reactivates a suspended prepaid account, the system automatically will calculate the reduction to either 10+ toll or 15+ toll for the outstanding violations. *Refer to Violation Mitigation Matrix
CSCBR-AM-48	Suspended Account Violation Process	Violations do not post to a suspended prepaid account.
CSCBR-AM-49	Low Balance Processing	Unpaid and partially paid financial transactions posted to a prepaid account while the account is in Low Balance status are not eligible to be processed through NTEV, NDTEV, or RH, but may be sent to collections after a configurable amount of time. Accounts with a balance of $0 or less are invalid for IOP plates and transponders.
CSCBR-AM-50	Automatic Suspension Reactivation	Suspended accounts may only be reactivated after: • Payment or a payment plan for any outstanding trips and penalties on the account. • The account balance is greater than $0.

Table 11 Account Suspension Rules (45-49)

2.2.5 Account Closure

This section describes the rules for account closure.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-51	Account Closure of Any Type	The system will allow closing of Prepaid Accounts.
CSCBR-AM-52	Pre-Closed Transaction Latency Period	For account closure requests, all accounts, except violation, will be set to the “pre-closed” status for a period of (21**) days, to allow pending or Late toll and financial transactions to post before the account is closed.
CSCBR-AM-53	Pre-closed Account Transponder and LPN	Transponders and Plates are end-dated and deactivated on the date that the account status became “pre-closed”.
CSCBR-AM-54	Pre-Closed Account Posting	If an account is in a pre-closed status, trips will continue to post to the account and payment is applied, if the balance is available.
CSCBR-AM-55	Account Closed	The prepaid account is closed when the financial transaction latency period has expired and the account balance is greater than or equal to 0, or when the account status is set to “closed”.
CSCBR-AM-56	Account Closed– Non-Revenue	When the Financial Transactions Latency Period expires and the account is non-revenue, the account status is set to “closed”.
CSCBR-AM-57	Pending Balance Refund	• If the account balance of a prepaid account is positive when the account is closed, the system will issue an electronic refund to the original form of payment, if still active. • If original form of payment is not available, the system will issue refunds by check.

Table 12 Account Creation Process Rules (50-56)

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2.2.6 Vehicle Management

Rule	Short Name	Condition/Rule Description
CSCBR-AM-58	End Dated LPN	An LPN may be end-dated at any time. Trips will not post to the account after the end date.
CSCBR-AM-59	LPN Moved to a new account	When a vehicle license plate is moved to another account, and end-dated on the current account, the associated sticker transponder must also be disassociated from the vehicle and updated to deactivated status or moved upon customer request.
CSCBR-AM-60	End Date of an LPN	An LPN cannot end before it starts.
CSCBR-AM-61	Paper Plate (Temporary LPN)	If a customer has a temporary paper plate, they should add it as if it were a standard LPN. When the permanent LPN is installed the temporary paper plate LPN should be end-dated and the permanent plate added with the same date.
CSCBR-AM-62	Updating LPN	When updating an LPN, disassociate any transponder correlated to the LPN, and then follow correlation rules for new LPN.
CSCBR-AM-63	Bulk Import of Vehicles	The system will allow for the bulk upload of vehicles by list to any Prepaid account. (Not currently in use)
CSCBR-AM-64	Relationship Transponder and LPN	When adding an LPN, a new transponder is required except when: • There is an existing switchable transponder on the account. • The plate is for a temporary vehicle

Table 13 Vehicle Management Rules (57-61)

2.3 Vehicle Management

2.3.1 Transponder Management

These rules define how the system will handle the starting point for transponders in the system, reporting, and monitoring, stock replenishments, as well as delivery out to the customers and their returns.

Rule	Short Name	Condition/Rule Description
CSCBR-TM-1	Transponder Types	The system will be able to manage different types/models of Transponders. For each vehicle on the account, the customer shall have a choice of one of the following: • Internal sticker transponder • External sticker transponder • Switchable transponder • Bundled sticker and switchable
CSCBR-TM-2	Transponder Attributes	The system will be able to manage special attributes for transponders. These special attributes are: • Motorcycle • Disabled Plate • California Disabled Veteran/Special Recognition • Out of State Disabled Veteran
CSCBR-TM-3	Transponder Price	Transponder prices: • $(5.00**) Internal Sticker • $(5.00**) External Sticker $(15.00**) Switchable 6C (includes sticker transponder) Transponder replacement prices: (may be waived): • $(5.00**) Internal Sticker • $(5.00**) External Sticker • $(15.00**) Switchable 6C
CSCBR-AM-4	Add LPN or Transponders	New LPNs and transponders can be added to a new or existing account. • For each new LPN or Transponder's start date in the system, the back-office system defaults to the current date at 12:00 am, with no end date. An LPN can be backdated to a configurable (90**) days in the past by an authorized user.
CSCBR-AM-5	Transponder Return	A customer may only return a switchable or unapplied sticker transponder via: • Mail • Walk-in center • OCTA Store

Table 14 Transponder Reception Rules (1-3)

2.3.2 Transponder Life Cycle

This is how the system will be handling transponders as they pertain to accounts. How the transponder will be assigned to an account, its life cycle, statuses, and eventual decommissioning.

Rule	Short Name	Condition/Rule Description
CSCBR-TM-6	Transponder and Account Status	Transponder status is secondary to account status. If the account status is not eligible for posting, then all transponder statuses are ineligible for posting.
CSCBR-TM-7	Transponder Status Eligible for Posting	Only active transponders are eligible for posting.
CSCBR-TM-8	Transponder Status Ineligible for Posting	Transponder status ineligible for posting: • Lost In Mail • Returned • Inactive • Assigned • Replaced
CSCBR-TM-9	Transponder Deactivated	A transponder will be deactivated and dissociated when: • Returned to the CSC • Reported as lost in the mail, or inactive • LPN has been end-dated (Sticker Transponder only) • Customer requested • Closed or Suspended accounts
CSCBR-TM-10	Returned Transponders	The system shall track the status of returned transponders based on their manual evaluation and the final disposition, such as returned to the manufacturer or disposed of.
CSCBR-TM-11	Transponder Inventory	Transponders received from the manufacturer will be maintained in inventory.
CSCBR-TM-12	Replacement Defective Sticker Transponder	There will be (0**) charge for defective sticker transponders within 2 years of sale.
CSCBR-TM-13	Replacement Defective Switchable Transponder	There will be (0**) charge for defective switchable transponders within two 2 years of sale.
CSCBR-TM-14	Replacement for Transponders Lost in Mail, or Not Applied Correctly	The replacement of a transponder that was lost in the mail, or not applied correctly will be $(0**) if requested within 60 days of activation.

Table 15 Transponder Relationship Rules (4-12)

2.4 Trip Posting Process

2.4.1 High-Level Overview

This process allows posting trips to the proper accounts. The related accounts can be Prepaid, Non-revenue, Fleet, CTOC, or violation accounts. The system will try first to post the trip to an Account (Prepaid, Non-revenue, or Fleet) and then to CTOC, and finally to a previously created violation account. If the look-up was unsuccessful, a new violation account will be created.

If trips are posted to violation accounts, the system will use the CA DMV and out-of-state third-party service to look up the registered vehicle owner. If the information that matches a registered account is returned, the trip will be posted to that account.

2.4.2 Trip Posting

The following business rules describe the Trip Posting Process from the lane side and into the Back-Office System (BOS).

Rule	Short Name	Condition/Rule Description
CSCBR-TP-1	Trip Posting Order of Precedence	Trips shall be posted in this order of precedence: • Give the customer the greatest discount with the exception of Non-Rev. • Home Agency • Away Agency • Valid Transponder • Valid Plate • Non-Rev • Violation
CSCBR-TP-2	Transponder Order of Precedence	When multiple transponders are detected in a vehicle, post using the following hierarchy: • 6C Switchable • T21 Switchable • 6C Sticker • T21 Standard
CSCBR-TP-3	Valid Trip	A trip is considered valid for posting if compliant with all the following criteria: • The trip will have LPN and/or Transponder • Toll Transaction Timestamp • The trip has a location • The trip has a rate
CSCBR-TP-4	Invalid Trips	Trips that do not meet valid trip criteria will be recorded for reporting.
CSCBR-TP-5	Duplicate Trips	Duplicate trips will not be posted but will be held for reporting.
CSCBR-TP-6	Ineligible Transponder Posting	A trip with an ineligible transponder will be posted by LPN.

Rule	Short Name	Condition/Rule Description
CSCBR-TP-7	Same Plate Different Accounts	If the license plate resides on two or more home accounts, posts are made to the account with the newest vehicle start date, if the toll transaction date is within the plate start and end date.
CSCBR-TP-8	Trips Processing	Trips will post to accounts with matching eligible transponders or LPN within their start and end dates.
CSCBR-TP-9	Apply Discounts	If the trip is posted to an active account, the system will apply configured discounts according to the Discounting Rules defined in the Discounts section.
CSCBR-TP-10	Trip Payment	After the discounts are applied, the system will analyze the account balance to pay for the trip. If the Account has funds, the trip will be marked “paid” according to payment posting.
CSCBR-TP-11	New Violation Account Posting	If the trip cannot be posted to a Non-revenue, Prepaid, CTOC, or an existing violation account, the system will create and post to a new violation account. The LPN and State provided in the trip and DMV lookup will be used to create the account.
CSCBR-TP-12	Valid Transponder Posting	If a transponder was active at the time of the toll transaction, the toll transaction will post to the account.

Table 16 Trip Posting Rules (1-12)

2.5 Violation Process

This process affects those road users who do not have an account, or their prepaid account is suspended. The violation process begins when a violation on a violation account reaches the age or accumulation thresholds to be included on an NTEV. The process then creates an initial NTEV.

2.5.1 Violation Account Creation

The violation process for unknown Violators begins with the creation of a violation account with LPN owner information from the results of an in-state or out-of-state DMV lookup.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-1	Vehicle Owner Information	Vehicle owner information will be provided using the DMV or out-of-state DMV lookup.
CSCBR-ENF-2	DMV Account Match Violation	DMV and out of state DMV owner information will be matched to Violation accounts by: • Owner Match: o Last name and First Name • Address Match: o An exact match of the returned address For pre-paid accounts, the DMV owner information will be matched by: First Name, Last Name, first 8 characters of the address, and the zip code. The system will not attempt to match fleet/rental and non-revenue accounts.
CSCBR-ENF-3	Out-of-state DMV Lookup Expiration	If the out-of-state LPN owner information is older than the (30**) day out-of-state lookup period, the system will perform a new out-of-state DMV look-up.
CSCBR-ENF-4	Find Prepaid Account by Owner	If the DMV or out-of-state DMV returns a vehicle owner for the requested LPN, the system will attempt to match a prepaid account by owner and address match.
CSCBR-ENF-5	Find Violation Account by Owner	If the DMV or out-of-state DMV returns a vehicle owner for the requested LPN, the system will attempt to match a violation account by owner and address match.
CSCBR-ENF-6	Create a New Violation Account	If information returned from the DMV or out of state DMV does not match, by owner and address, the system will create a new violation account for the owner and post the toll transactions that occurred, on and after the DMV data return.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-7	Matched to Existing Violation Account	If an LPN is matched by the owner and address to an existing violation account after a DMV lookup, the LPN will be added to the matched violation account and the trip is posted.
CSCBR-ENF-8	Violation Account Information	The following ownership information will be entered for a violation account from the DMV: • First Name • Last Name • Suffix • Company Name (if applicable) • Address • Phone Number (if applicable) • Vehicle Make (Optional) • Vehicle Model (Optional) • Vehicle Year (Optional) • Vehicle Identification Number (if applicable) • Renewal Date (if applicable) • Plate Type (if applicable)
CSCBR-ENF-9	Account and LPN Open Dates	The system shall incorporate an open date for the violation account and vehicle start date based upon the oldest trip date when DMV information is available.
CSCBR-ENF-10	LPN End Date	The system shall leave the end date null on a vehicle to allow additional violations to flow easily into the violation account.
CSCBR-ENF-11	Account Modification	The system shall allow a user to add additional contacts to the violation account, including: • Mailing address • Email address • Phone number
CSCBR-ENF-12	Account Modification Restriction	The system will prevent a user from changing account information provided by the DMV.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-13	Violation to Prepaid	A new Prepaid account may be created using the information from a Violation Account. This change is made at the request of the customer.
CSCBR-ENF-14	Non-DMV Violation Account Creation	The system shall be able to create a new violation account when: • An Affidavit of Non-Liability is submitted. • A rental agency sends liable customer details.

Table 17 Violation Account Creation Rules (1-17)

2.5.2 Notice of Toll Evasion Violation (NTEV)

NTEVs are sent to vehicle owners and will include toll transactions that remain unpaid after a (10**) day or (10**) trip cycle, whichever is reached first, starting from the date of the oldest trip. For each trip included in the document, a penalty will be incurred.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-15	Initiate Escalation Process	The system will initiate a (5**) days or (10**) trips NTEV Generation Cycle based on the oldest Trip Date to create an NTEV when the violation account information has been identified by DMV or CSR.
CSCBR-ENF-16	Violation Trip Inclusion Time Frame	Only trips that have a date within the Violation Trip Inclusion Time Frame of (21**) days before the current date may be included in the NTEV. Exceptions are applied as referenced in CSCBR-ENF-20 and CSCBR-ENF-21
CSCBR-ENF-17	Violation Trip Inclusion Time Frame Exception	The system will be able to include trips that are (45**) days old from the current date if accurate vehicle owner identification and address are not available within the (21**) day Violation Trip Inclusion Time Frame.
CSCBR-ENF-18	Repeat Violator Inclusion Time Frame Exception	A vehicle owner becomes a repeat violator if they have (5**) or more violations in any calendar month, within a (365**) day period. If they become a repeat violator, trips that have a date up to (90**) days prior to the current date can be included in an NTEV.
CSCBR-ENF-19	Violation Trip Consolidation	Violations that have posted to the violation account during the (5**) day or (10**) Trip NTEV Generation Cycle, are consolidated into a single NTEV. Unpaid Trips that have posted to the violation account with a trip date before the (5**) day NTEV Generation Cycle, once the NTEV is triggered, any unnoticed trips will be included. All included trips must comply with CSCBR-ENF-19 through CSCBR-ENF-21.
CSCBR-ENF-20	Violation Penalty	The system will add a $(25**) NTEV penalty to each trip included in the NTEV.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-21	NTEV Due Date	The system shall calculate the NTEV Due Date as (30**) days from the date of the NTEV being mailed. The NTEV will be mailed within 21 days from the oldest violation and are included, except in cases where 45 and 90-day old trips were included.
CSCBR-ENF-22	NTEV Escalation Period	The system will allow for a (30**) day NTEV Escalation Period from the mailing date before escalating the unpaid and past due NTEV to an NDTEV.

Table 18 Violation Account Creation Rules (18-25)

2.5.3 Notice of Delinquent Toll Evasion Violation (NDTEV)

If an overdue NTEV remains unpaid after the (30**) day NTEV Escalation Period, an NDTEV is automatically issued and includes a Delinquent Toll Evasion Violation Penalty.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-23	NDTEV Initiation	The NTEV is available to escalate when the violation: • The grace period has elapsed • Is unpaid • Is not disputed • Has no Affidavit of Non-Liability • Is not dismissed • Is not written-off
CSCBR-ENF-24	NDTEV Penalty	The system shall assign a $(30**) NDTEV Penalty to each of the trips or tolls that have been escalated to NDTEV following the (15**) day NDTEV Penalty Grace Period.
CSCBR-ENF-25	NDTEV Penalty Provision	The system shall determine whether a payment is received within the NDTEV Penalty Grace Period of (15**) days from the NDTEV's mailing. If so, the $(30**) NDTEV Penalty will be dismissed.
CSCBR-ENF-26	NDTEV Due Date	The system shall calculate the NDTEV Due Date as (30**) days from the mailing date.
CSCBR-ENF-27	NDTEV Escalation Period	The system will allow for a (60**) day NDTEV Payment Grace Period from mailing date before escalating the unpaid and past-due NDTEV to DMV RH.

Table 19 Violation Account Creation Rules (26-30)

2.5.4 DMV Registration Hold

DMV Registration Holds (RH) are automatically issued to a California violator after the NDTEV Payment Grace Period has expired. An RH request is sent per trip from the related NDTEV to the California DMV. A fee is added for each trip accepted by the DMV. The RH can be paid from the moment it is issued either to the DMV or via the CSC.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-28	DMV Hold California Plates	The DMV Hold process is for California state license plates. Out-of-state plates will be referred to the collections process.
CSCBR-ENF-29	RH Initiation	The NDTEV is available to escalate when the violation: • The grace period has elapsed • Is unpaid • Is not disputed • Has no Affidavit of Non-Liability • Is not dismissed • Is not written off
CSCBR-ENF-30	RH Penalty	RH holds are placed per Trip. The process shall apply an RH Fee of $(3**) to each of the trips accepted by the California DMV. An RH cannot be placed earlier than 90 days from the original toll transaction date.
CSCBR-ENF-31	RH Notification	A notification will be sent to the customer after the successful placement of the RH. The system shall calculate the RH Due Date as (30**) days from the mailing date.

Table 20 Violation Account Creation Rules (31-34).

2.2.5 Collections

a) Unresolved (paid or disputed) violations shall escalate to collections or the FTB according to these business rules.

Rule	Short Name	Condition/Rule Description
CSCBR – CL-1	Ineligible for DMV Hold	Trips not eligible or rejected from the DMV Hold process due to hold placement capacity will be sent to skip tracing. 20 days after skip tracing, the violation will escalate to pre-collections
CSCBR – CL-2	Released from DMV Hold	Trips that were released from DMV Hold that still have an outstanding balance will be sent to skip tracing. 20 days after skip tracing, the violation will escalate to pre-collections.
CSCBR – CL-3	Pre-Collection Criteria	A violation will escalate from Pre-Collections to Collections when following criteria has been met: • The 30-day escalation period elapses • There is an outstanding balance • The dispute has not been received • An Affidavit of Non-Liability has not been submitted • Has not been dismissed Has not been written off
CSCBR – CL-4	Pre-Collection Fee	A $25 fee will be assessed per transaction once the violation escalates from Pre-Collections to Collections.
CSCBR – CL-5	Third Party Agency	The BOS will send all eligible violations to a third-party Collection Agency.
CSCBR – CL-6	Collection Agency Fee	A $20 fee will be assessed when the Collections Agency sends the first Collections Demand Letter.
CSCBR – CL-7	Maximum Penalty	The maximum penalties a violation can be assessed is $100.00
CSCBR – CL-8	Collection Payments	The BOS will accept the following payments from the collection agency: • A fully paid violation and all associated penalties • A settlement amount agreed upon by the collection agency and the customer • Partial payments
CSCBR – CL-9	Franchise Tax Board	After a transaction is referred to collections, it is eligible for placement with the Franchise Tax Board
CSCBR – CL-10	Payment Reversals	Payment reversals will reinstate the trip and the violation will continue in the process

2.5.5 Referral to Collections Agency

Unresolved (paid or disputed) violation shall escalate to collections according to these business rules.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-32	Debt Referral Initiation	The RH is available to escalate when the violation: • (365**) days have passed since RH was placed. • Is unpaid • Is not an open dispute • Has no Affidavit of Non-Liability • Is not dismissed • Is not written off
CSCBR-ENF-33	Collections Eligibility for a Prepaid Account	A prepaid account and subsequent trips will be available to go to collections if the outstanding balance for the account is over $(20**) prior to collections fees being added.
CSCBR-ENF-50	Collections Eligibility for a Violation Account	A violation account and subsequent trips will be available to go to collections if the outstanding balance for the account is over $(5**) prior to collections fees being added.
CSCBR-ENF-34	Collections Trip Eligibility	Trips that do not have an RH and where the vehicle does not have an Active RH but are (365**) days past NDTEV due date will be available for Collections.
CSCBR-ENF-35	Collections Trip Eligibility with RH	The system will send a trip to Collections for California if the vehicle has an active RH older than (365**) days or the Vehicle's CA DMV registration date has expired.
CSCBR-ENF-36	Notice of Impending Collections	A notification will be sent to the customer stating that their account will be sent to collections.
CSCBR-ENF-37	Payment from DCA	The System will consider the following payments from the collections agency: • **Paid:** A fully paid violation and all penalties. Collections activities will end for these financial transactions. • **Settlement:** A violation will be considered fully paid if a settlement is agreed upon and paid to the Collections agency. The amount due will be changed to match the payment from the collection's agency. Collections activities will end for these financial transactions. • **Partial Pay:** The violation will remain in collections.

Table 21 Violation Account Creation Rules (35-41)

2.5.6 General Enforcement Rules

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-38	Road Opening Enforcement Delay	Trips from the first (*90) days of the road opening will not escalate to RH. No trips from the first 365 days of the road being tolled will escalate to Collections.
CSCBR-ENF-39	Violation Notice Payments	The system shall allow the customer to pay NTEV, NDTEV, or RH at any point both during the violation process and after referral to NOR, DCA or FTB.
CSCBR-ENF-40	Pre-NTEV Payment	A violator may prepay a violation which has posted to a back-office account but has not been placed onto an NTEV.
CSCBR-ENF-41	NTEV/NDTEV/RH/Collections Payment Reversal	Payments applied to trips, notices, and penalties can be reversed for: • Insufficient funds or Refer to Maker (stop payment, etc.) • Improperly applied payment • Credit card chargeback
CSCBR-ENF-42	NTEV/NDTEV/RH/Collections Write-Off Reversal	Write-Offs applied to trips, notices, and penalties can be reversed at the discretion of an authorized user.
CSCBR-ENF-43	Violation Plate Sweep	On a daily basis, the system will look for plate toll transactions within the past (90**) days that exist on violation accounts and try to post to existing prepaid accounts with the same posting order as pay-by-plate new trips. This occurs in all cases except those trips associated with: • Collections • Bankruptcy • Customer Reported Deceased **Trip Penalties and actions will be based on:** • If trips post to CTOC, they must be <= (90**) Days old. o Trips will be posted without Penalties, and CTOC will not allow trips older than 90 days.
CSCBR-ENF-44	Violation Sweep Override	Authorized Users will be able to override the (90**) day limit by increasing or decreasing this limit for the next violation plate sweep.
CSCBR-ENF-45	Violation Trip Penalties	• If the trip happened up to (90**) days before the account opened but within vehicle start date and end dates: o Trips will be posted without the Penalties. • If the trips posted after account opened and within vehicle start date and end date, but did not post to account: o Trips will be posted without the Penalties but will include the RH Fee if a hold has been confirmed.

Rule	Short Name	Condition/Rule Description
		• If the trip happened before account creation and outside of vehicle start date and end date: Trips will not automatically be pulled into an account.
CSCBR-ENF-46	Undeliverable NTEV / NDTEV	If the customer does not receive the initial NTEV or NDTEV, but a new address is acquired, update the mailing address with the new address and reissue all documents within the past 29 days with new due dates. The system will not send an NDTEV if the associated NTEV is being reissued.
CSCBR-ENF-47	Violations Dispute	A trip in Disputed status will not escalate.
CSCBR-ENF-48	Resume Violation Process	Upon expiration or removal of a violation processing hold, the violations process will resume for trips and penalties where they left off.
CSCBR-ENF-49	No Plate Image on Violation Notices	The violation notices NTEV and NDTEV will not include an image of the plate.

Table 22 General Enforcement Rules (42-55)

2.5.7 Affidavit of Non-Liability

The Affidavit of Non-Liability is used in the violations process to dispute trip(s) and declare that the registered owner was not in possession of the vehicle at the time of the violation.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-50	Affidavit of Non-Liability Reasons	The Affidavit of Non-Liability shall use one of the following reasons: • Sold or transferred • Leased or rented • Reported stolen • Request administrative Review
CSCBR-ENF-51	Affidavit of Non-Liability Information	The required information in the Affidavit of Non-Liability shall include: • Name • Address including city, state and zip code of the new liable party • Date of liability change • Declaration with signature, date, phone and email address

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-52	Affidavit of Non-Liability Proof	To validate the Affidavit of Non-Liability, one of the following documentation items must be received: • Declaration of non-ownership • Copy of bill of sale or release of liability filed with DMV • Copy of the lease or rental agreement • Police report citing the date of theft
CSCBR-ENF-53	Affidavit of Non-Liability Inclusion	The Affidavit of Non-Liability form will be included in the NTEV, NDTEV, NOR, and on the website.

Table 23 Affidavit of Non-Liability Rules (56-59)

2.6 Discounts

The system shall provide a Discounting Module to apply particular discounts to specific customer trips. A system admin with the proper privileges shall define discounting rules using available criteria such as account type, vehicle class, road usage, or toll transaction information. After a trip is posted to an account, and before payment is applied, the system will analyze the exising Discounting Rules to determine the final trip amount.

Rule	Short Name	Condition/Rule Description
CSCBR-DR-1	Admin Privileges	Authorized admin user can configure discounting rules in the BOS.
CSCBR-DR-2	Discount over for Trip	“Discounting Rules” will be applied to the trip rate of the toll transaction delivered by the host.
CSCBR-DR-3	Assign Discounts	Discount rules can be assigned or removed to the account based upon transponder or vehicle type.
CSCBR-DR-4	Discount rules application	The system will apply the highest discount available. Only **one** discount per trip, except for CSCBR-DR-11 which may be combined with the any discount. The discount(s) will not exceed the toll rate.
CSCBR-DR-5	Prevent transfer license plate discount	Discounts associated with a license plate or transponder will not be transferred to another account.
CSCBR-DR-7	Exempt Mass Transit	The system shall apply a (100**) % discount to mass transit. California Vehicle Code defines qualifying mass transit, paratransit, and vanpool vehicles, including those that are publicly or privately funded.
CSCBR-DR-8	Motorcycle Discount	Vehicles flagged as Motorcycles shall receive a discount of (100**) % except for trips with an entry time of 4 to 6 pm Monday through Friday on the 91 Express Lanes Eastbound at which time the discount is (50**) %.
CSCBR-DR-10	HOV3+ Discount	15 EL shall apply (100**) % discount to switchable transponders set to HOV 3+. 91 EL shall apply (100**) % discount to vehicles with 3+ occupants using lane 1, except for trips with an entry time of 4 to 6 pm Monday through Friday on the 91 Express Lanes Eastbound at which time the discount is (50**) %. The carpool discount can be overridden by the ODS flag.
CSCBR-DR-11	California Disabled Veteran/Special Recognition Plates	Verified Disabled Veteran plates and special recognition plates will receive a discount of (100**) % on the 91 Express Lanes.
CSCBR-DR-12	$1 Discount for Standard Plans	Standard Plan customers receive a ($1.00**) discount per tolled trip after (30**) tolled transaction on the 91 Express Lanes in a calendar month based on the transaction date, up to ($50**) per month.
CSCBR-DR-13	Disabled Person Plate	Verified Disabled Person plates on a Registered account will receive a discount of (100**)% on the 91 Express Lanes except for trips with an entry time of 4 to 6 pm Monday through Friday on the 91 Express Lanes Eastbound at which time the discount is (50**)%.

CSCBR-DR-14	Out of State Disabled Person or Disabled Veteran Plate	Verified out of State Disabled Person or Disabled Veteran plates on a Registered account will receive a discount of (100**)% on the 91 Express Lanes except for trips with an entry time of 4 to 6 pm Monday through Friday on the 91 Express Lanes Eastbound at which time the discount is (50**)%.

Table 24 Discounting Process Rules (9)

2.7 Promotions

The system shall provide a Promotions Module to apply benefits to customer accounts. An admin user with the proper privileges shall define promotional rules that can be applied to customer accounts, LPNs, or Transponders.

Rule	Short Name	Condition/Rule Description
CSCBR-PR-1	Promotion Management	Authorized admin user can create, modify, and deactivate promotions in the system.
CSCBR-PR-2	Promotion assignment	The system shall allow authorized admin user to assign and apply promotions as a fixed amount, percentage-based amount, or a number of trips to a Prepaid account, Transponder, or LPN. The system shall assign promotions to specific segments on the 91 and 15 Express Lanes.
CSCBR-PR-3	Promotional Credits Refunds	Promotional credits are not refundable or transferable.
CSCBR-PR-4	Promotional Balance	The promotional balance is reportable and separate from the paid balance.
CSCBR-PR-5	Fixed Promotional Credit	Promotional credits for a $(XX**) fixed amount will be reflected in the account balance and will be used to pay for trips and fees before the paid balance. Fixed promotional credits will be tracked by promotional code.
CSCBR-PR-6	Free Trip Promotion	Free trip promotions shall provide customers enrolled in auto-replenishment with toll-free trips on the 15 and 91 Express Lanes, beginning with the customer's first trip following enrollment and continuing for a period of (7**) days. Promotional credits shall be applied prior to the use of the prepaid account balance. An additional (7**) days will be added to the promotion for AAA members. This promotion applies only to new customers and does not apply to returning customers or customers who are converting violation account(s) to a prepaid account.
CSCBR-PR-7	Retail Discounts	Fixed promotional credits will be used for participating retailers. These promotional credits will be tracked and reported. (Not currently in use)

Table 25 Promotions Configuration Rules (1-8)

2.8 Financials (Payments, Refunds, and Adjustments)

This section describes the Business Rules related to payments, refunds, adjustments, and the channels available for performing these operations.

2.8.1 Payments

Customers will have different means of payments available for prepaid toll balances and violations. The following rules are related to the means of payment, channels available, and triggers for performing payments:

Rule	Short Name	Condition/Rule Description
CSCBR-FI-1	Payment Methods	The System will be able to accept payments from any of the following methods: • Cash • Credit/Debit Card • ACH • Check • Money Order
CSCBR-FI-2	Payment channels and methods	The system will be able to process payments via mail, web, walk-in center, OCTA store, IVR, phone, and third-party payment provider. The available methods will depend on the payment channel (see Table below).

Table 26 Payment Rules (1-2)

2.8.1.1 Available Payment Methods Types per Channels

Payment Type	Mail	Phone	OCTA Store	WIC	IVR	Web (Replenishments and Violations)	Third-Party Payment Provider
Cash			x	x			X
Credit/Debit card		x	x	x	x	x	X
ACH		x		x	x	x	
Check	x		x	x			X
Money Order	x		x	x			x

Table 27 Available Payment Methods per Channel

2.8.2 Replenishment Rules

Rule	Short Name	Condition/Rule Description
CSCBR-FI-3	Payment Processing	The System will be able to process payments as either batch or single posting. The system will email, if available, a payment receipt to the customer after the payment is processed.
CSCBR-FI-4	Credit Cards configuration	The system will process these credit cards: • American Express • Discover • MasterCard • Visa
CSCBR-FI-5	Minimum Replenishment Amount	The lowest amount that the system will set a replenishment amount to, is no less than $(40**) for automatic and manual replenishment
CSCBR-FI-6	Minimum Replenishment Threshold	The system will not allow the minimum replenishment threshold to be less than $ (25**) for automatic and manual replenishment.
CSCBR-FI-7	Replenishment Amount Recalculation	Three months after the account opening anniversary date and every three months thereafter, the account replenishment amount will be recalculated to equal the average of the prior 90 days' usage, but not less than customer selected amount.
CSCBR-FI-8	Replenishment Threshold Recalculation	The Replenishment Threshold shall be recalculated with the Replenishment Amount. The threshold will be equal to 1/3 of the replenishment amount, rounded up to the next ($5**) increment, but no less than $(25**)
CSCBR-FI-9	Multiple Automatic Payment Methods	The system will allow for multiple (up to a maximum of 3) automatic payment methods for each account and assign a payment method priority order.
CSCBR-FI-10	Automatic Replenishment Method	The System will use the following payment types for automatic replenishment when the account falls below the replenishment threshold: • Credit Card • Debit Card • ACH

Rule	Short Name	Condition/Rule Description
CSCBR-FI-11	Manual Replenishment Method	The system will allow the following payment types for manual replenishment: • ACH • Cash • Check • Credit Card • Debit Card • Money Order • Third Party Payment Provider
CSCBR-FI-12	Cash and Check Replenishment Method	Prepaid Accounts with a cash/check/money order replenishment will be notified via text, email, or mail when their balance is low, as described in the correspondence and communications rules.
CSCBR-FI-13	Account Status Replenishments	The system will allow the replenishment of accounts in Active, Suspended, or Pre-Closed status.
CSCBR-FI-14	Credit Card Tokenization	The PAN of a credit card will be tokenized, and not stored by the BOS. The token will be used to enact re-occurring payments.
CSCBR-FI-15	Payment Retry Next Available Pay Method	In the event of a payment failure, the System will attempt to process a payment with an automatic retry using the next available Payment Method.
CSCBR-FI-16	Payment Method Retry Failure Exception	The reject code responses from the processor will determine whether the payment method is resubmitted for payment at a future date. • If the payment processor returns a hard decline, the payment will not be retried and recorded as a failure exception. Failed ACH payments are considered a hard decline. • If the payment processor returns a soft decline for debit or credit card payment, the payment will be retried.
CSCBR-FI-17	Payment Retry Frequency	The payment methods shall each be retried once every (2**) days. This will continue until payment is accepted, a failure exception has occurred, or the account is suspended.
CSCBR-FI-18	Credit and Debit Card Soft Declines	If a credit or debit card payment soft declines (3**) consecutive times, the card is inactivated.
CSCBR-FI-19	Reverse Payments	Upon rejection of ACH, Check, or Money Order payment from the gateway or bank, the payment and associated paid trips, penalties, and fees will be manually reversed.
CSCBR-FI-20	Manual Reverse Payment	An authorized User will have the ability to reverse a payment made to a wrong account or with an incorrect amount.

Rule	Short Name	Condition/Rule Description
CSCBR-FI-21	Violations Detected During Replenishments	The system will alert the CSR or customer about outstanding violations when the Prepaid account is being replenished, either from the web, over the phone, or at the walk-in center.
CSCBR-FI-22	Violation Payment	Payments will be applied to the oldest trip first unless specified by the customer.
CSCBR-FI-23	NDTEV Over Payment	If the full amount of the NDTEV is paid within the first (15**) days of the NDTEV being mailed, the difference between the amount paid and the amount due on the NTEV is considered an overpayment.
CSCBR-FI-24	Overpayments on Prepaid Accounts	Overpayments for prepaid accounts will function as prepaid account replenishment.
CSCBR-FI-25	Partial Payment	The system will allow partial payment of a Violation Notice: • Trips in the Violation Notice that are partially paid will not continue to escalate. • Trips that are left unpaid on the same Violation Notice will continue to escalate.
CSCBR-FI-26	Payment Order	The payment order of precedence by trip is as follows: 1. Toll 2. RH Fee 3. NTEV Penalty 4. NDTEV Penalty 5. Collection Penalty

Table 28 Replenishment Rules (3-26)

2.8.3 Refunds

The following rules govern various refund scenarios. Refunds will be made to the original form of payment, if available. Otherwise, a check will be issued.

Once the refund is performed, the system registers a financial transaction and updates the corresponding account balance.

Rule	Short Name	Condition/Rule Description
CSCBR-FI-27	Refund Scenarios	The system will provide refunds to customers based upon various account activities: • Closure of a Prepaid Account with a remaining balance. • Return of an unused and unopened transponder. • Violation Notice overpayment
CSCBR-FI-28	Refundable transaction	Whether or not a financial transaction is eligible for refund, it will be configurable to prevent refunds of specific types. For example, promotions, deposits, toll credits issued to an account, and fees.
CSCBR-FI-29	Refunds Availability	The system will provide refunds only after payment confirmation from the corresponding financial institution and it has been (7**) days since the payment. Overpayments on violation accounts will be used to pay for unpaid violations before they are refunded.
CSCBR-FI-30	Account Closure	For Prepaid Accounts, the system will trigger an automatic refund of a positive balance when the account closes. The remaining balance will be sent via the original form of payment, otherwise a check will be issued.
CSCBR-FI-31	Refund Limits and Distribution	Refund distribution will be handled as follows for electronic payments: • **Overpayment** ◆ The refund will go back to the card used, up to the financial transaction amount paid. • **Account Closure** ◆ The refund will go to the card(s) used for payment, if available. • For all other payments, and if there is not an available electronic payment on file, a check will be issued for the refund. The check will be made payable to the name on the account.

Rule	Short Name	Condition/Rule Description
CSCBR-FI-32	Check Refund Details	The system will allow a User to input all details regarding the check refund issued, including: ▪ Check number ▪ Date check was issued ▪ Check payee details ▪ Dollar amount ▪ The reference number ▪ Reason for issuing the check
CSCBR-FI-33	Prepaid Refunds	Refunds will be made on amounts greater than $(0**).
CSCBR-FI-34	Violation Refunds	For amounts lower than the $(1**) amount specified for an automatic refund, the system will be able to manually process refunds only if requested by the violator.
CSCBR-FI-35	Check Refund Escheatment	Checks issued that are not cashed shall be sent to the State of California's Unclaimed Funds Program, according to the rules of that program. Refund checks issued that are not cashed will be processed through Escheatment as follows: • Refunds of less than $15 will be escheated at 1 year. • Refunds of $15 or greater will be escheated at 3 years in accordance with California Government Code Section 50055. • Funds from Escheatment refund checks will be deposited as a 50/50 agency split to agency escheatment revenue
CSCBR-FI-36	Refund Approval	Refunds $(250**) or more must be approved by the Agency.

Table 29 Refund Scenario Rules (27-35)

2.8.4 Adjustments

Adjustments are financial transactions that allow the application of a positive or negative amount on any account or financial transaction. They can be used, for instance, to waive fees applied to an account or financial transaction. Manual adjustments are always performed by an authorized user.

Rule	Short Name	Condition/Rule Description
CSCBR-FI-37	Financial Transaction Adjustments	Adjustments to increase or reduce existing financial transactions such as the trip, penalty, or fee will be recorded with their reason and reportable. Adjustments will be made to trips, fees, and penalties either in bulk or by a single financial transaction.
CSCBR-FI-38	Remove Fee	The system will allow an authorized user to remove a fee, and the reason will be tracked and reportable.

Rule	Short Name	Condition/Rule Description
CSCBR-FI-39	Adjustments Visibility	Toll or fee adjustments will be visible in Prepaid and Non-revenue account statements and in the account activity history.

Table 30 Adjustment Rules (36-38)

2.9 Fees

Fees will be applied to services incurred by the customer or during the collections process. Penalties are applied to delinquent trips and payments.

Rule	Short Name	Condition/Rule Description
CSCBR-FEE-1	Manual Fee	The system will allow manual fees to be added to an account or trip by an authorized user. These fees will be recorded with a reason and reportable.
CSCBR-FEE-2	NSF Fee	A $(25**) NSF Fee will be added to the customer's account for check payments returned for insufficient funds.
CSCBR-FEE-3	Monthly Account Fee	A $(2**) fee will be charged to active prepaid standard plan accounts on the account's monthly anniversary date.
CSCBR-FEE-4	Convenience Plan Fee	A one-time, nonrefundable enrollment fee of $(100**) will be charged to the customer when signing up for the convenience plan.
CSCBR-FEE-5	Pay-By-Plate Fee	A pay-by-plate fee of $(2**) per trip will be assessed if it is determined that a customer has excessive video tolls.
CSCBR-FEE-6	Mailed Paper Statement Fee	$2 for each printed account statement.
CSCBR-FEE-7	ACH Return Fee	A fee of $(25**) will be added to the customers account for ACH payments returned for insufficient funds limited to one fee per incident.
CSCBR-FEE-8	Collections Fee	A $20 fee will be assessed when the Collections Agency sends the first Collections Demand Letter. The maximum penalty a violation can be assessed is $100.00.
CSCBR-FEE-9	Collections Fee	A $25 fee will be assessed before sending a violation to the Collection Agency.
CSCBR-FEE-10	ODS Fee	HOV 3+ violators will be charged a fee of $ (5**) per trip.

Table 31 Fee Rules (1-

2.10 Shift Management

POS/Shift Management maintains precise control over financial transactions regardless of means of payment used, and over transponders delivered and received by the CSR during their shift.

Rule	Short Name	Condition/Rule Description
CSCBR-SM-1	End of Shift	At the end of each shift, the system will compare the differences between the BOS balance, and the entered balance of the drawer.

Rule	Short Name	Condition/Rule Description
CSCBR-SM-2	Cash Out – Difference Exceeded	The system will alert if an amount declared for the cash drawer has a difference from the system greater than $(0**)
CSCBR-SM-3	End of Shift Reconciliation	At the end of each shift, the cash drawer and transponder inventory shall be reconciled.

Table 32 Shift Management Rules (1-3)

2.11 Case Management

This system allows CSRs to create new cases to process an inquiry, claim, or dispute by either a customer or non-customer. A case can be worked on by an authorized user who can update specific case fields, including its status. Each case registered in the system is identified with a unique number (a.k.a. “Case Number”) automatically assigned by the system.

Rule	Short Name	Condition/Rule Description
CSCBR-CM-1	Attach Documents in Case	A CSR or customer can attach documents to a case either on the website, mail, or through the back office system.
CSCBR-CM-2	Solve a Case – Resulting in Communication	For case resolution of disputes, the customer will receive follow up communications that are reportable.
CSCBR-CM-3	Pending Customer Feedback	A CSR can place a case in “Pending Customer Feedback” status for (10**) business days. If there is no response from the customer within the 10 business days, the case will closed.
CSCBR-CM-4	Case Document PII	All documents uploaded with PII content (SSN, DL, DOB) must be redacted before it is processed through the case.

Table 33 Case Management Rules (1-2)

2.12 Disputes

Disputes are the process in which a customer requests that they are not the liable party, or something is not accurate about their account or trips.

Rule	Short Name	Condition/Rule Description
CSCBR-DI-1	Dispute Types	When a dispute is created, it is associated with one of these types: • Toll Dispute • Fee Dispute • Payment Dispute
CSCBR-DI-2	Dispute Channels	Customers can create disputes through the following channels: • Walk-In • Mail • Phone • Website • OCTA Store
CSCBR-DI-3	Dispute Escalation	Violation disputes may occur during any stage of escalation. The system will not escalate violations that are in dispute.
CSCBR-DI-4	Dispute Resolution	A dispute will be resolved by: • Acceptance • Release of Liability (ROL) • Adjust Toll/Fee • Write off Toll/Fee • Refund Payment • Credit Account • Rejected The resolution of each dispute is recorded and reportable.
CSCBR-DI-5	Dispute Notification	After the resolution of a dispute, either accepted or rejected, a notification will be sent to the customer through the default communication channel on the account or dispute.
CSCBR-DI-6	Write-Off	A write-off will remove the amount due for a trip, fee, or penalty. The reason for the write-off will be recorded and reportable.
CSCBR-DI-7	Investigative Review Response Time	Investigative reviews will be reportable and will provide a response time within (5**) Business days.
CSCBR-DI-8	Investigative Review Mailed Response	All disputes need a mailed response when a finding is reached: • If it is found the violation did occur or the registered owner is responsible for the violation a written response will be sent which will include the Administrative Hearing information and form.

Rule	Short Name	Condition/Rule Description
		• If the violation is dismissed a response will be sent and dismissal recorded in the BOS.
CSCBR-DI-9	Administrative Review Hearing Initiation Process	To establish an Administrative Review Hearing the Registered Owner must submit the Administrative Hearing Review Form and either: • Pay a hearing deposit o Registered Account holders: • Pay the lesser of $250.00 or outstanding balance o Unregistered Account holders: • If the balance is less than $250.00 deposit equals the balance • If the balance is greater than $250.00 the deposit is the larger amount between Toll amounts + $250.00 or Toll amounts + $250.00 + 10% of penalties over $1000. • Submit a Request for Deposit Waiver and supporting documentation showing qualification of waiver for review.
CSCBR-DI-10	Review Hearing Deposit Waiver	Request for Deposit Waiver will be approved if: • Meet 150% of the current year's Federal Poverty Guidelines. • Provide a copy of their most recent W2 and last 3 paystubs.
CSCBR-DI-11	Review Hearing Exceptions	Special Circumstances will be addressed on a case-by-case basis with approval by manager and agencies.
CSCBR-DI-12	Review Hearing Deposit Waiver Rejection	A Request for Deposit Waiver will be rejected if: • The information provided does not qualify for a reduction/waiver of the deposit amount. • The information provided is insufficient. • The information provided does not qualify for a reduction/waiver of the deposit amount. • Requested documentation of W2's and pay stubs were not submitted. • An Administrative Review Hearing request must be submitted by the registered owner of the vehicle. • Do not meet 150% of the current year's Federal Poverty Guidelines.
CSCBR-DI-13	Escalation Suspended	Upon receipt of documentation (the deposit or Deposit Waiver Form) the Administrative Review Hearing Request will be suspended from escalation.
CSCBR-DI-14	Pre-Admin Offer	A Pre-Admin Hearing offer will be provided within two weeks of receiving all required and complete documentation.
CSCBR-DI-15	Pre-Admin Offer Reductions	The Pre-Admin Hearing offer will require payment of the tolls with a per penalty reduction as follows:

Rule	Short Name	Condition/Rule Description
		<table><tr><th>Penalty before</th><th>Penalty after</th></tr><tr><td>25</td><td>12.5</td></tr><tr><td>55</td><td>25</td></tr><tr><td>80</td><td>25</td></tr><tr><td>>=100</td><td>55</td></tr></table>
CSCBR-DI-16	Pre-Admin Offer Grace Period	A Pre-Admin Hearing offer must be accepted by the Registered Owner or designee within 15 days of receipt via mail, or phone.
CSCBR-DI-17	Pre-Admin Offer Response Time	The payment must be made within 15 days from the date of the Pre-Admin Hearing Offer Letter.
CSCBR-DI-18	Pre-Admin Offer Declined	If the Pre-Admin Hearing offer is declined or not responded to, an Administrative Review Hearing is scheduled.
CSCBR-DI-19	Admin Review Hearing Scheduling Time	The Administrative Review Hearing will be scheduled within 90 days of receiving all required documentation and/or deposit.
CSCBR-DI-20	Admin Hearing Deposit Split	According to the results of the Administrative Hearing, penalties are adjusted, the deposit is split by agency in FIFO order. Any unapplied deposit will be refunded.

Table 34 Disputes Rules (1-7)

2.13 Write-Offs

Rule	Short Name	Condition/Rule Description
CSCBR-WO-1	CA Plate Write-Offs	Violations with California State plates may be written off after (4.5**) years from the date of the violation if owner information is not found
CSCBR-WO-2	Out of State Plate Write-Offs	Violations with out of state plates may be written off after (4.5**) years from the date of the violation if owner information is not found.
CSCBR-WO-3	Couldn't Post to NTEV Write-Offs	Violations that were too old to go onto an NTEV may be written off after (4.5**) years from the date of the violation after the owner information was found.
CSCBR-WO-4	Uncollectable Write-Offs	Any unpaid toll transaction in the system that has been unpaid for over (4.5**) years, may be written off. Toll Transactions with an active judgment will not be written off.
CSCBR-WO-5	Deceased Customers - Violation	When the account is marked for "Deceased", the account is put on hold for any further financial transaction life cycle processing. • Certificate of death must be provided.

Rule	Short Name	Condition/Rule Description
		• When death is confirmed, any unpaid financial transactions before the date of death will be written off. • The vehicle will be end-dated with the date of death. • If the deceased is the only contact on the account, the account will be closed.

Table 35 Write-Off Rules (1-4)

2.14 Financial Accounting Rules

The following rules will define the financial system and when it will account for revenue of accounts and transaction types.

Rule	Short Name	Condition/Rule Description
CSCBR-FA-1	Paid Financial Transactions	Financial transactions are considered paid when payment has been applied and is equal to the amount due.
CSCBR-FA-2	Non-Toll Revenue	Revenue for miscellaneous account fees and account maintenance fees will be recognized when paid.
CSCBR-FA-3	Trip Revenue Recognized	The system shall recognize the revenue of the trips as accrual based.
CSCBR-FA-4	Penalties and Fees	Revenue for Fees and Penalties shall be recognized as cash based.
CSCBR-FA-5	Revenue Accounts	• Fees and penalties will be recognized as Violation Revenue. • Toll Revenue is divided into prepaid and toll violation. • Non-Toll revenue will be divided between account fees and paid expenses. • The chart of the accounts shall detail how revenue accounts are recorded.
CSCBR-FA-6	Agency Closing Schedule	The system will maintain: • Revenue Day - Midnight to Midnight • Quarterly Soft Closures • Fiscal Year-End – June 30th • Monthly Soft Closures for Agency(s)
CSCBR-FA-7	Payment Plans	Payment plans can be offered to an Account with violations in NTEV, NDTEV, Pre-Collections, DMV Hold, or Collection status.
CSCBR-FA-8	Income Verification	If income is 200% of the current poverty guidelines or less, and the outstanding amount is not in excess of $2,500, customers may be eligible for the following payment plan options: • A payment of no more than $25 per month for amounts up to $600.

Rule	Short Name	Condition/Rule Description
		• Removal of your DMV holds after the first payment is made on your payment plan. • One of the following documents are required to confirm eligibility: • Unexpired proof of enrollment of participation in the CalFresh program • Unexpired proof of enrollment in Medi-Cal • Unexpired proof in another low-income program with the same income requirement • Unexpired county benefit eligibility letter. • A recently filed tax return.
CSCBR-FA-9	Payment Plan Terms	Payment Plan: If the total balance due is $600 or less: • A maximum monthly amount of $25, inclusive of tolls and penalties, • The number or months is calculated based on the total amount of tolls and penalties. An initial payment, calculated from the installment schedule, is required to establish a payment plan and will include any tolls at invoice status.If total balance due is over $600: • A maximum of 12 months is offered to payment plans. • The term amount is calculated based on the fixed number of months. • An initial payment, calculated from the installment schedule, is required to establish a payment plan and will include any toll at invoice status. • The maximum number of Payment Plans Allowed in Six Years is 2. • The minimum Amount for Payment Plans is $100. Outstanding violations included in Payment Plan will not escalate during agreed established payment arrangements. If a term payment is missed, the violations will begin escalating from the point of pause.
CSCBR-FA-10	Payment Plan Limit	An account can only have one active payment plan at a time.

Table 36 Financial Accounting Rules (1-6)

2.15 Correspondence and Communications

Default correspondence in the system will be communicated to the customer through available channels. These business rules define the default communications and the methods they can deliver.

2.15.1 Notifications and Channels

Rule	Short Name	Condition/Rule Description
CSCBR-CC-1	Notifications and Channels	The System shall determine the default notification channel for communications using the 'Notifications and Channels' table below.

Table 37 Notifications and Channels Rule (1)

2.15.1.1 Notifications and Available Channels

Notification	Email	Mail	SMS	Web	Power Dialer
Statements	x	x	x	x	
Low balance Automatic Replenishment	x	R	x	x	x
Low balance Manual Replenishment	x	R	x	x	x
Account Suspended	x	R	x	x	x
Credit Card Expiration Notice	x	R	x	x	x
Failed card payment	x	R		x	
ODR Administrative fee (Not currently in use)	x		x	x	
Bounced emails		R	x	x	
Transponder not reading (pay-by-plate) (Not currently in use)	x	R	x	x	x
Check returned	x	R	x	x	
Violation Notifications		R			
RH Notification		R			
Debt Collections Agency (DCA) Notification (Not currently in use)		x			
Dispute Notifications	x	x	x	x	
Administrative Hearing Notifications	x	R		x	
Annual Customer Update	x	R	x	x	

Notification	Email	Mail	SMS	Web	Power Dialer
Custom Communication	x	x		x	
Marketing Promotion (Opt-in)	x		x	x	
Custom Bulk Communications	x	x			
Notice of Resolution (NOT180)	x	R		x	

Table 38 Notifications and Channels

Legend: R = Required. X = available.

2.15.2 Opt-In – Opt-Out Notifications

Rule	Short Name	Condition/Rule Description
CSCBR-CC-2	Opt-In/Opt-out Notifications	The system will allow a customer to Opt-In or Opt-Out of notifications for: • SMS • Express Lanes Operations (closures accidents, or other events) • Promotions • Surveys, Focus Groups, and Research

Table 39 Opt In – Opt Out Notifications Rule (2)

2.15.3 Incoming Mail Communications

Rule	Short Name	Condition/Rule Description
CSCBR-CC-3	Incoming Communications	Incoming mail and email communications will be added to an associated account for reference.

Table 40 Incoming Mail Communications Rule (3)

2.15.4 Automatic Outbound Notifications

Automatic outbound notifications are sent by the system when a specific situation occurs. The system will use the information defined in the associated Notification Type and defined thresholds to create the notification trigger.

Rule	Short Name	Condition/Rule Description
CSCBR-CC-4	Automatic Notification – Delivery Channel	The system will only deliver automatic notifications to the customer via the default delivery channel, and any additional customer selected channel. SMS channel to be sent (9am-6pm**) depending on Alert type
CSCBR-CC-5	ODR Notification	The system will send out notification within one business day of an ODR administrative fee being charged. (Not currently in use)
CSCBR-CC-6	Statement Notification	The system will send out a notification when statements become available for viewing or downloading.
CSCBR-CC-7	Skip Trace	The system shall utilize a skip trace service to obtain new addresses for addresses that have had an undeliverable response.
CSCBR-CC-8	Low Balance Notification	A low balance notification will be sent out and is based on: • Manual account replenishment o Account balance is equal or less than the replenishment threshold. • Automatic account replenishment o The account balance is equal or less than the replenishment threshold and the payment method(s) on file have failed.
CSCBR-CC-9	Account Suspension Notification	The account suspension notification will be sent out when the prepaid account has become suspended.
CSCBR-CC-10	Credit Card Expiration Notification	The system will send out a notification that an automatic replenishment credit card or debit card is about to expire, requesting that the customer update their payment information. Two notifications are sent: • Means of Payment Expiration First Notice o Within (30**) days of the last day of the expiry month • Means of Payment Expiration Second Notice o Within (15**) days of the last day of the expiry month.
CSCBR-CC-11	Email Bounced Notification	The system will create a mail notification upon receiving a bounced email from a customer's email address. **Note:** In this case, notifications will be sent by postal mail if the email address provided is not working.
CSCBR-CC-12	NSF Check Notification	The system will send out the Check Returned notifications when a check is returned as insufficient.

Rule	Short Name	Condition/Rule Description
CSCBR-CC-13	Annual Customer Update Notification	Once a year, on the account anniversary date, the system will send all customers a notification to review or update their account with any changes.
CSCBR-CC-14	Custom Communication	An authorized User can reply to a customer inquiry with a custom message to an individual through any available communication channel [email or mail].
CSCBR-CC-15	Marketing Promotion	Only customers who have agreed to marketing promotional communications will be sent marketing materials.
CSCBR-CC-16	Custom Bulk communication	An authorized User will have the option to create and deliver custom messages for delivery to more than just one customer, in accordance with the Notification and Available Channels table.

Table 41 Automatic Outbound Notifications Rules (4-20)

2.15.5 Returned Mail

This functionality allows the user to mark an address as rejected and to contact the customer to update their address.

Rule	Short Name	Condition/Rule Description
CSCBR-CC-17	Undeliverable Mail - CSC	The system will allow users to mark an address as nixie, if mail is returned as undeliverable. • Physical mail will be retained for one year, then securely destroyed.
CSCBR-CC-18	Undeliverable Mail – Mail House	The system will receive an electronic file transfer from the mail house to mark and address as nixie, if mail is returned as undeliverable.

Table 42 Returned Mail Rule (21)

2.16 Security

2.16.1 Privileges

Rule	Short Name	Condition/Rule Description
CSCBR-SE-1	User Access	Users will have their access restricted; defined by their duties and responsibilities.

Table 43 Privileges (1)

2.16.2 Personally Identifiable Information

Rule	Short Name	Condition/Rule Description
CSCBR-SE-2	PII Confidentiality	The CSC System shall protect the integrity and confidentiality of all Personally Identifiable Information (PII), customer records, and data on the CSC System at all locations. TSP shall not disclose PII. TSP shall comply with the Privacy Policy and current Governmental Rules for the use and storage of personal information.

Table 44 Personally Identifiable Information Rule (2)

2.16.3 Encapsulation and Encryption

Rule	Short Name	Condition/Rule Description
CSCBR-SE-3	Encryption	The System will encrypt user and customer user account passwords.

Table 45 Encapsulation and Encryption Rule (3)

2.16.4 System(s) Session Management

Rule	Short Name	Condition/Rule Description
CSCBR-SE-4	Inactive Session	The Systems will automatically trigger session closure once: • The BOS Inactive Session parameter elapses in (15**) mins. • The Phone System Inactive Session parameter elapses in (15**) mins. • The VIP System Inactive Session parameter elapses in (15**) mins. • The Work Station Inactive Session parameter elapses in (5**) mins.
CSCBR-SE-5	Login – Inactive Session	Once a user session ends, the user must log in again.

Table 46 BOS Session Management Rule (4-5)

2.17 Archiving Module

System to retain and purge information according to defined retention periods for various data types.

2.17.1 Data Retention Rules

Rule	Short Name	Condition/Rule Description
CSCBR-AR-1	Trip Retention	Toll Transactions shall be kept in the system 4.5 years from the point at which it is paid or resolved (written off, dismissed)
CSCBR-AR-2	Image Retention	All images associated with toll transactions shall be kept on the live system for 18 months. If the toll transaction is paid or resolved (written off, dismissed), the images will be removed from offline storage after 4.5 years.
CSCBR-AR-3	Event Retention	The system shall retain all data from alarms, events, current and historical user/group privileges, and CSC HOST file exchanges for a minimum of (60**) days.
CSCBR-AR-4	Account Data Retention	Documentation on accounts (i.e. Statements, Notices, Inbound, and Outbound communications) shall be kept for 4.5 years from the date the associated toll transactions are paid or resolved (written off, dismissed).
CSCBR-AR-5	Violation Account Purge	Violation accounts from the date of zero balance and zero trips remaining on the account are purged from the system after 4.5 years.
CSCBR-AR-6	Website Customers	The system shall retain financial transactions and account activity available to customers via the website for 4.5 years.
CSCBR-AR-7	Exchanged File Retention	The system shall retain files exchanged with any third parties including TSP subcontractors, DMVs, banks, payment gateway, or collection agencies for 4.5 years.
CSCBR-AR-8	CTOC Retention	The system shall retain all transponder toll transaction files and files exchanged with the CTOC network for use in toll dispute resolution and toll transaction reconciliation for 4.5 years.
CSCBR-AR-9	CCTV Data Retention	CCTV video storage shall be retained for a minimum (3**) Days.
CSCBR-AR-10	PII Data Retention	The system shall purge PII data if it has been 4.5 years since the customer's account was closed.

Table 47 Data Retention Rules (1-10)

2.18 Interfaces

Business Rules for interfacing between 3rd parties and internal entities.

2.18.1 Address Standardization

Rule	Short Name	Condition/Rule Description
CSCBR-AS-1	Address Standardization Service	Each time an account is created either on the web or through the BOS, the system will attempt to standardize the address.
CSCBR-AS-2	Unstandardized Addresses	The system will still send communications to addresses that were not standardized.

Table 48 Address Standardization Rules (1-3)

2.18.2 DMV

The following rules are associated with retrieving vehicle owner information using either the CA or out-of-state DMV service.

Rule	Short Name	Condition/Rule Description
CSCBR-DC-1	Contact CA DMV	For California vehicles, the system will contact the CA DMV using the LPN to find and retrieve information from the CA DMV about the registered owner of the vehicle to populate a violation account.
CSCBR-DC-2	CA DMV Lookup	CA LPN lookups will be performed per Violation and grouped by date daily.
CSCBR-DC-3	CA DMV Lookup Frequency	The system will wait for the response from the CA DMV Lookup for (1**) days.
CSCBR-DC-4	Out-of-State Direct DMV Connection	For Arizona, Oregon, and Nevada vehicles, the system will contact directly to the DMV using the LPN to find and retrieve information from the DMV about the registered owner of the vehicle to populate a violation account.
CSCBR-DC-5	Contact third party service to Out-of-state DMV	For out-of-state vehicles, the system will contact a third-party service sending the list of plates for the day. The information retrieved from out-of-state DMV will be used to populate a violation account.
CSCBR-DC-6	Retry DMV Contact	If the out-of-state DMV service cannot be contacted, the system will retry the operation up to (3**) times per day until the connection is successful.
CSCBR-DC-7	Out-of-state LPN	If the vehicle belongs to an out-of-state license plate, the system will use an out-of-state DMV to find the registered owner.
CSCBR-DC-8	Out-of-state DMV Look-up	The system will wait for the response of the out-of-state DMV Lookup for (7**) days.

Rule	Short Name	Condition/Rule Description
CSCBR-DC-9	DMV Request Retry	The system will retry the request for owner information daily if no response has been delivered by CA DMV. The system will continue to retry until the trip is (90**) days old, from the date of the toll.
CSCBR-DC-10	DMV Statuses	The system shall record the status of a plate lookup request being sent to the CA DMV or out-of-state plate lookup. The system will perform specific actions based upon the returned statuses. See DMV Statuses in Appendix A.
CSCBR-DC-11	Violation Notice Payment at DMV	All payments received from the CA DMV will be posted. • If the amount difference is less than or equal to $(0.99) the violation will be considered paid in full.
CSCBR-DC-12	Inform Removal of RH	The system will contact the CA DMV to notify them of a release of a CA DMV RH for each violation paid in full at the CSC or collections agency.

Table 49 DMV Rules (1-13)

2.18.3 CTOC Interoperability

The CTOC Interoperability business rules define how the system will handle the life cycle of toll transaction posting for the members of the California Toll Operators Committee.

2.18.3.1 CTOC General Business Rules

Rule	Short Name	Condition/Rule Description
CSCBR-IO-1	Add/Remove Agencies	Only a system admin will be able to add, edit, and remove agencies from the CTOC configuration.
CSCBR-IO-2	CTOC Plate and Transponder Availability	• Plates and transponders will be removed from the CTOC plate and tag files when the prepaid account status is not Active. • Plates and transponders will be added back to the CTOC plate and tag files when the prepaid account status is returned to Active.
CSCBR-IO-3	Business Continuity	Processing and file transfers will take place every day of the year.
CSCBR-IO-4	Exclude Local Non-Revenue Accounts	The system shall not include transponder or plate information for local, non-revenue account holders in the Tag and Plate Status Files. Universal Non-Revenue accounts will be included.
CSCBR-IO-5	Hybrid 15-91 Non-Revenue Accounts	The system shall include transponder or plate information for Hybrid 15-91 Non-Revenue accounts will be shared between the 15 and the 91 Express Lanes only. The system shall separate non-revenue accounts according to the 91 Express Lanes and 15 Express Lanes segment(s).
CSCBR-IO-6	Accept Toll Charges	The system shall validate the Reconciled Toll Charges and accept reconciled toll transactions no longer than 14 calendar days after receipt.
CSCBR-IO-7	Accept Trips	The Accepted Trips will follow the Trip Posting process.
CSCBR-IO-8	Agency Reciprocity	The Accepted Trips will be registered in the General Ledger Accounts for Inter-Agency Reciprocity when paid.
CSCBR-IO-9	CTOC Trips for Violation Process	If a toll transaction is rejected by CTOC, the following should occur based on the reject code: • Duplicate – Write-off toll transaction. • All others – Process as a violation.
CSCBR-IO-10	Transponder Accounts	Only active license plates belonging to active transponder-based accounts are included in the Plate Status File.

Table 50 CTOC General Business Rules (1-9)

2.18.4 Website (Part 1)

The Back-Office website will offer a self-care channel accessed directly by road users.

Prepaid and violation customers will be able to create an account, log in to the Customer self-service website, and pay for their violations. The sections below provide options available and are based on the account type.

Rule	Short Name	Condition/Rule Description
CSCBR-CW-1	Account Creation	Customers will be able to open a new account through the website.
CSCBR-CW-2	Customers Registration	The Website will allow customers to register using an email address as their username.
CSCBR-CW-3	Email Address Validation	Email addresses shall be validated when entered by the customer.
CSCBR-CW-4	LPN Back Dating	The Website will allow a customer to set the start date of their plate up to (90**) days in the past.
CSCBR-CW-5	Website Password Complexity	Website passwords will: • Have at least 8 characters. • Have at least one special character, one letter, and one number. • Does not contain a space(s).
CSCBR-CW-6	Terms & Conditions	The Website will require either accepting or agreeing to the terms and conditions, to continue with the Account Opening process.
CSCBR-CW-7	Notification after Registration	After successful account creation, the Website will send a notification to the customer.
CSCBR-CW-8	Available Actions for Registered Customers	The Website will allow registered and violation users to perform actions as detailed in the tables below. (See also the “Account Functions per channel” table in the column “Website” under Account Management business rules.)

Table 51 Website - Part 1 Rules (1-9)

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2.18.4.1 Available for Registered Users

Action	Additional Information
Customer change password	The system will allow registered user to change their passwords according to the Website Password Complexity Rule.
Replenish account	Account replenishments will be available via Credit / Debit Card and ACH.
Specify primary means of payment for recurrent replenishments	The registered user must specify a primary means of payment, if more than one payment, a priority will be assigned.
View payment information on File	The system will not allow a customer to see a full bank account or credit card number on file. The registered user may only see the last 4 digits of a credit card or a bank account number.
Add/Remove/Edit payment information	The registered user can add/remove/edit the means of payment associated with an account.
View/edit Account data	The registered user can view/modify personal information (e.g.: name, Addresses, preferred language, etc.).
Type of notifications	The registered user can opt-in or opt-out of various notifications.
Add or remove transponders	The registered user can add/remove a Transponder related to an account.
Remove an LPN	A registered user may end-date an LPN on the web but the end date may not be from the past. The default end date is the current date and 11:59 pm. Note: End dating may be adjusted to a date in the past by a CSR with approved user level access.
Add an LPN	The registered user may Add an LPN to an account. Can indicate that the vehicle being added is a CAV vehicle.
Add a license plate and associate violations to the account	Registered users will be required to enter the date they acquired the vehicle, up to 90 days into the past. The system will retrieve all associated violations after the start date of the LPN to assign them to the account without their penalties.
View Account trips	A list of the trips related to the account will be displayed.
View/Print/Download Account Statements	Refers to statements containing financial transactions associated with the related account.
View Account Payments and Refunds	A list of processed payments, their date/time, financial transaction, and amount will be displayed.
Get Account Balance	The current account balance will be displayed.

Action	Additional Information
Forgot Password	A registered user must satisfy a two-factor authentication and user challenge questions, If successful, the user can then provide their own new password.
Report a Transponder as Lost/Stolen	This option will allow road users to report lost/stolen transponders.
Print/Download Violation Notices (Not currently in use)	Option to get a copy of the NTEV, NDTEV, or RH notifications on the account.
Pay Violation	Find and pay on an NTEV, NDTEV, or RH notice using a combination of their Notice ID and the license plate listed in the notice.
Print/Download Payment Confirmation	At the time of payment, print/download a payment confirmation related to a Violation Notice, replenishments or other financial transaction paid.
View LPN and Transponder Activity History	List an LPN and transponder's start and end date history.
View Account Activity History	List account-related events such as payments, replenishments, charges, discounts.
View Customer Notifications	Display a list with the notifications sent to the customer.
View Violations Associated to an Account	Display a list of the violations related to the customer.
Select Multiple Violations to Appeal	Dispute one or more Violation Notices at the same time or individual violations, by selecting from a list.
Create/View Cases	Road users will be able to create or view a case (e.g.: to appeal a Violation Notice), select a reason, add a description and then submit it to the System Operators for evaluation. Once the case is created, the user will be able to view progress via the Case ID.
Discount Counter	The website will have a discount details tracker widget for toll transactions on the 91 Express Lanes.
Initiate the Account Closure Process	A customer can initiate an account closure process, placing the account in pre-close status, and is notified of the timeframe until closure.

Table 52 Website Actions – Registered Users

2.18.4.2 Available for Violation Users

Action	Additional Information
Pay Violation	It is possible to pay on an NTEV, NDTEV, or RH notice using a combination of the Notice ID and the license plate listed in the notice.
Print/Download Payment Confirmation	At the time of payment, it is possible to print/download a payment confirmation related to a Violation Notice.
Create an Account	Violation users will be able to create an account by entering personal information, adding a vehicle, requesting a transponder, paying the outstanding balance, and providing replenishment balance on the account.

Table 53 Website Actions – Violation Users

2.18.5 Website (Part 2)

Rule	Short Name	Condition/Rule Description
CSCBR-CW-9	Payment Confirmation	When making a payment, the system will display a confirmation page including the payment details and confirmation number.
CSCBR-CW-10	Website Pay Methods	The Website will accept payments from either a credit or debit card and ACH.
CSCBR-CW-11	Plate Removed with Correlated Sticker Tag	The system will inform the customer that their sticker tag will be deactivated when they remove their plate if the plate was previously linked to a sticker tag.

Table 54 Website -Part 2- Rules (10-13)

2.18.6 IVR Interface

The IVR interface describes rules for the integration of the IVR system and the BOS. It also details the functionality that the IVR system must interact with an account.

The following business rules define the IVR interface features.

Rule	Short Name	Condition/Rule Description
CSCBR-IV-1	Identify Customer	The IVR system will recognize a customer phone number and request a PIN. If the IVR identifies more than one account number associated with the phone number, it will require you to provide your account number.
CSCBR-IV-2	Get Balance	The IVR system shall provide the capability to get the balance of the Prepaid Account.
CSCBR-IV-3	Make Payment	The IVR system will allow a customer to make a one-time payment, or a replenishment using the method of payment on file.

Rule	Short Name	Condition/Rule Description
CSCBR-IV-4	Additional Transponder	The IVR system will provide the capability to request additional transponders.
CSCBR-IV-5	Obtain Outstanding Balance	The IVR system provides the capability to check a customer's outstanding balance for violations including toll, fees, and penalties.
CSCBR-IV-6	Pay Violations Notices	The IVR system will provide the capability to fully pay violation notices via credit/debit cards. The system will inform the customer of the total amount owed due to pending violations. The customer must enter the Notice ID number on the NTEV or NDTEV.

Table 55 IVR Interface Rules (1-6)

2.18.7 Fleet Accounts (Not currently in use)

The system will be able to handle the creation and maintenance of fleet accounts that have a large number of vehicles. Plate files, trip information, and customer details will be exchanged between the system and the fleet account holders.

Rule	Short Name	Condition/Rule Description
CSCBR-FL-1	Fleet Account Creation	Fleet accounts will be created and adhere to their agreed-upon ICD specifications.
CSCBR-FL-2	Fleet Account File Exchange	Fleet accounts will process files between the system and the fleet agency on a daily or weekly basis depending on Fleet Agreement and defined in the ICD.
CSCBR-FL-3	Fleet Violation Accounts	Violation accounts will be created for trips that belong to fleet vehicles that the fleet agency has provided a liable party.
CSCBR-FL-4	Fleet Violation Account NTEV	Fleet violation accounts that are created with renter or lessee information will not go through the DMV lookup process.
CSCBR-FL-5	Fleet Violation Account NTEV Creation	NTEVs created for Fleet violation accounts will follow the standard NTEV Business rules.
CSCBR-FL-6	Out of Country Renters	The system will send out NTEVs to out of country renters, with the information delivered by the rental agency.

Table 56 Fleet Accounts Rules (1-6)

2.18.8 Retail (Not currently in use)

This section contains the rules for stocking and distributing transponders to retailers.

Rule	Short Name	Condition/Rule Description
CSCBR-RT-1	Account Creation	Transponder active at point of sale and must be included in the next tag status download for use on Riverside Express Lanes.
CSCBR-RT-2	Transponder Status	Transponder status will be shared via CTOC to away agencies per CTOC specifications.
CSCBR-RT-3	Starter Kit	The package will include two interior sticker transponders provided by the Agencies.
CSCBR-RT-4	Transponder fulfillment	Kapsch to seek Agency approval before providing transponders.
CSCBR-RT-5	Retailer list	Kapsch to provide a current list of retailers and maintain the list on the website.

Rule	Short Name	Condition/Rule Description
CSCBR-RT-6	Account Maintenance	Accounts opened through retailers will remain anonymous retail accounts until converted by the customer to a Riverside Express pre-paid account or added to an existing Riverside Express pre-paid account. Adding to an existing Riverside Express prepaid account can only be done by calling the CSC.
CSCBR-RT-7	Account Conversion	Customers can convert an anonymous retail account to a new Riverside Express prepaid account via the website, CSR, or walk-in center; a unique identifier is provided in the retail package and recognized by the back-office system.
CSCBR-RT-8	Account Conversion	Account conversion on the website requires 2-factor authentication.
CSCBR-RT-9	Account Replenishment	Customers can only replenish anonymous retail accounts through retailers.
CSCBR-RT-10	Starter Kit	Costs: • Customer pays ($40**). • Add ($40**) in prepaid balance. • Charge for two sticker transponders ($0** per transponder) ($10**) promotional balance added at the time of account. • Registration (Account Converted) • Agency to pay ($5**) starter kit retail fee.
CSCBR-RT-11	Account Maintenance Fee	A ($2**) monthly account management fee will be applied to standard plans from when the anonymous retail account is opened.
CSCBR-RT-12	Trip Posting	Anonymous retail accounts with insufficient funds to cover the entire toll amount shall partially pay the toll amount using the available account balance and suspend the anonymous retail account with a negative balance.
CSCBR-RT-13	Trip Posting	Additional toll transactions will create a violations account after the anonymous retail account is suspended
CSCBR-RT-14	Account Suspension	Anonymous retail accounts shall be suspended once the account balance reaches or falls below ($0**).
CSCBR-RT-15	Account Suspension	Re-activation of a suspended anonymous retail account requires a positive balance ($0.01**).
CSCBR-RT-16	Account Conversion	Anonymous retail accounts can only be converted to Riverside Express prepaid accounts.
CSCBR-RT-17	Account Replenishment	Anonymous retail account replenishments: • The customer pays for the replenishment amount. • The customer pays a replenishment fee at the retail store while using the reload card to replenish their account.

Table 57 Retail Business Rules (1-17)

-END OF DOCUMENT-

Appendix A Module and Process Status Definitions- DMV Statuses

DMV Status	Description	Action
Sent	Request for owner information was sent.	Wait on Return.
Returned	Owner information has been returned.	No additional DMV action.
No Owner Found	DMV or out-of-state service could not locate an owner.	Plate and State Validation to be performed. Resend to DMV.
Rejected no Plate Type	DMV returned no information due to an incorrect or missing plate type.	Plate, State, and Plate Type Validation to be performed. Resend to DMV.
Release of Liability on File	The original owner has sold the car, and the new owner has not registered.	Resend to DMV.
Toll Transaction in Process	A change of ownership is being processed.	Resend to DMV.
Junked	The vehicle has been labeled Junk.	Plate, State, and Plate Type Validation to be performed. Resend to DMV.

The Department of Motor Vehicles (DMV) may add, modify, or remove rejection codes. The system shall not restrict processing based on predefined DMV reject codes. Any rejection code received from the DMV shall be captured, stored, and included in processing and reporting.

Table 58 DMV Statuses

Appendix B Configurable Variables

See Attached Agency Configurable Parameters for the complete listing of all configurable parameters in the system.

Exhibit 25

Attachment 3

Scope of Work:

Multi-Agency revenue and cost sharing memorandum

[attached behind this page]

Cost and Revenue and Allocation Between the Express Lanes

This exhibit sets forth the agreed-upon methodology for sharing revenue and expenses processed through the consolidated back-office and the sharing of Operator costs.

The methodologies are broken down in the following sections:

1. Revenue and Discounts
2. Operator Costs (non pass-through)
3. Pass-through Expenses
4. Allocation Formulas

1. REVENUE AND DISCOUNTS

Toll and Violation Revenue

All toll and violation revenue associated with a specific toll transaction shall be assigned to the entity (OCTA 91 Express Lanes, RCTC 91 Express Lanes, or RCTC 15 Express Lanes) for which the toll plaza is assigned. The assignment of revenue includes tolls, NTEV penalty, NDTEV penalty, Collection Agency Assignment Fee and the DMV Registration Hold Fee.

	OCTA 91 Express Lanes	**RCTC 91 Express Lanes**	**RCTC 15 Express Lanes**
Toll Revenue	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza
Violation Penalty Revenue	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza
Violation Fee Revenue at Transaction Level	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza

Toll Transaction Discounts

Discounts given at the transaction level should be assigned to the entity for which the toll plaza is assigned. This includes HOV3+, disabled veteran, disabled plate, motorcycle, standard plan frequent user discount and AAA one/two-week free discount.

Account Level Discounts and Credits

Discounts or credits given at the account level will be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50%.

Account-Based Revenue

Prior to consolidation, the 91 Express Lanes had approximately 186,000 accounts compared to the 15 Express Lanes 25,000 accounts. OCTA, as the account-holding agency, will take over the 15 Express Lanes accounts and the 15 EL will no longer “own” accounts. The 91 Express Lanes also offered account plans that the 15 Express Lanes did not have: Express Club and Convenience. The 15 Express Lanes Account Fee revenue will be $550,000 per fiscal year for the term of the agreement. The remaining annual Account Fee revenue will be split evenly between the 91 Express Lanes. The allocation of account-based revenue will not change through the term of this agreement.

If the 15 Express Lanes South is added to the operation, it will not receive any account revenue or change the allocation in any way.

	RCTC 15 FY 25
Express Club	0
Standard Account Fee	346,220
NSF and Statement Fee	47,302
Convenience Fee	0
Account Deactivation	54,293
Transponder	102,185
Totals	550,000

This table is for the purpose of determining the 15 Express Lanes on-going fixed account revenue.

2. OPERATOR COSTS (Non Pass-Through)_

Kapsch BOS Fixed Fee

The Kapsch contract has three fixed fee components: BOS Fixed Fee, CSC Fixed Fee, and BRiC BOS Fixed Fee. The total contract fee for these items (the base contract and 2041 refresh cost plus the 2026 Amended and Restated 91 EL Costs), less the costs of the RCTC ODS program ($555k annually for ODS) and for project management shared with the RCTC roadside ($1.5M annually) will be allocated based on the Entity Transaction Calculation.

91 TOC Costs

All 91 TOC costs shall be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50% each.

15 TOC Costs

All 15 EL TOC costs shall be paid by RCTC 15 Express Lanes.

Bad Debt Expense Accounts

Bad debt expense for prepaid customers will be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50% each.

Bad Debt Expense Violations

Bad debt expense for violations will be assigned to each entity based on toll plaza assignment.

Variable Account Fee

The Kapsch contract has a variable account fee based on the number of active transponder accounts. This fee will be allocated using the Entity Transaction Calculation.

Variable NTEV Fee

The Kapsch contract has a variable violation processing fee based on the number of NTEVs mailed. NTEVs can include trips from all three entities on them. The Entity Violation Calculation will be used.

Back Office System Improvement Costs

The cost of improvements or changes for a specific entity will be paid for by that entity. BOS improvements that benefit all entities shall be split according to the Entity Transaction Calculation.

3. PASS THROUGH EXPENSES

The Kapsch contract includes several pass-through costs that will be paid according to the following allocations.

Credit Card Fees

Credit card fees shall be allocated to each entity based on the Entity Revenue Calculation.

PayNearMe Fees

PayNearMe fees are commonly not a pass-through cost. This fee is charged by PayNearMe to the contracting parties when minimum revenue thresholds are not met. In the instance where this fee is charged, the cost shall be shared by the entities using the Entity Revenue Calculation.

Welcome Kit Postage

Welcome Kit Postage will be allocated based on the Entity Transaction Calculation.

CSC Phone Lines

CSC Phone Lines will be allocated based on the Entity Transaction Calculation.

Violation Postage

The Kapsch contract has a pass-through cost for NTEV and NDTEV mailings. NTEVs and NDTEVs can include trips from all three entities on them. The Entity Violation Calculation will be used.

Administrative Hearings

Administrative Hearing costs will be allocated based on the Entity Transaction Calculation.

Collection Fees

Collection Fees will be allocated based on the toll plaza assignment for the transaction on which the fee was charged.

Miscellaneous Mailing Postage and Fees

Miscellaneous Mailing Postage and Fees will be allocated based on the Entity Transaction Calculation.

4. ALLOCATION FORMULAS

Entity Revenue Calculation

Each year prior to budget development (January), the proportion of entity revenue will be calculated using revenue from the prior fiscal year. The calculated percentages will be used for the entire fiscal year provided that no new entity is introduced to the operation. If a new entity is introduced, the allocation will be revised based on estimated revenue for the new entity. The calculation will be as follows:

	OCTA 91 Express Lanes	RCTC 91 Express Lanes	RCTC 15 Express Lanes	New Entity
Toll revenue	60,605,242	90,629,646	44,633,972	NA
Violation Penalty Revenue	5,615,410	10,382,059	8,875,611	NA
Fees	1,580,587	2,455,636	726,672	NA
Total	67,801,239	103,467,341	54,236,255	NA
Percentage	30.1%	45.9%	24.1%	NA

Initial Percentages Based on FY 2025 Revenue

Entity Trip Calculation

Each year prior to budget development (January), the proportion of entity trips will be calculated using trips from the prior fiscal year. The calculated percentages will be used for the entire fiscal year provided a new entity is not introduced to the operation. If a new entity is introduced, the allocation will be revised based on estimated trip for the new entity. The calculation will be applied for the entire fiscal year following the calculation. The calculation will be as follows:

	OCTA 91 Express Lanes	RCTC 91 Express Lanes	RCTC 15 Express Lanes	New Entity
Toll Trip	21,992,452	20,952,400	16,802,743	0
Percentage	36.8%	35.1%	28.1%	0

Initial Percentages Based on FY 2025 Trips

Entity Violation Calculation

Violation notices can include trips from all three entities. Violation notices are cost drivers for the CSC regardless of the number of violations included on a single NTEV. A weighted-average allocation of the NTEVs issued for the combined entities will be calculated each year prior to budget development (January). If the Parties agree, this calculation may be performed more frequently. Only NTEVs will be used in the calculation and assumes NDTEVs follow the same allocation. The calculated percentages will be used for the entirety of the following year provided a new entity is not introduced to the operation. As there is not historical data to make this calculation

for the Go Live date the Agencies will agree to an allocation based on the best available data. The calculation will be as follows:

Transaction Mix on Single NTEV	NTEV Count by Mix*	OCTA 91	RCTC 91	RCTC 15	OCTA 91 Allocation	RCTC 91 Allocation	RCTC 15 Allocation
		Weighted Average	Weighted Average	Weighted Average			
OCTA 91 Only	20,000	1			20,000	-	-
RCTC 91 EL only	20,000		1		-	20,000	-
15 El Only	20,000			1	-	-	20,000
OCTA 91 EL and RCTC 91 EL	40,000	0.5	0.5		30,000	30,000	-
RCTC 91 El and RCTC 15 EL	30,000		0.5	0.5	-	10,000	10,000
OCTA 91 and RCTC 15	5,000	0.5		0.5	10,000	-	10,000
OCTA 91, RCTC 91 and RCTC 15	30,000	0.33	0.33	0.34	6,600	6,600	6,800
Total	165,000				66,600	66,600	46,800
					37%	37%	26%

This is sample data for illustrative purposes only. The initial split will be OCTA 91 30%, RCTC 91 30%, 15 Express Lanes 40%.

If the Parties identify changes to the allocation methods described in this Exhibit the Executive Director of RCTC and CEO of OCTA shall be authorized to approve an amendment to this Exhibit to reflect those changes.

Exhibit 25

Attachment 4

Scope of Work:

Proposal and Schedule

[attached behind this page]

Riverside County Transportation Commission (RCTC)

Orange County Transportation Authority (OCTA)

SR 91 Customer Service Center (CSC) and Back Office System (BOS) Expansion Plan

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1. STATEMENT OF PURPOSE

We are pleased to provide both Riverside County Transportation Commission (RCTC) and Orange County Transportation Authority (OCTA) (Agencies) our plan for the consolidation of the SR-91 and I-15 Back Office Operations to enhance operational efficiencies and reduce overall costs. We plan to accomplish this by expanding the current I-15 Back Office System (BOS) to consolidate the SR-91 Express Lane accounts and the Riverside Express Lane accounts into one account base. The proposed Kapsch back-office operation would jointly serve I-15 Express Lanes and SR-91 Express Lanes customers as one operation. The purpose of this document is to share Kapsch's approach to both Agencies for executing this scope.

2. KAPSCH HISTORY WITH OCTA AND RCTC

Dating back to our original contract in 2017, Kapsch and RCTC have worked closely to enhance travel and toll services in the region, and adding the I-15/SR-91 Express Lanes Connector project to the overall scope. In nine years of working together, we have successfully delivered the I-15 Express Lanes BOS, image review, customer service center (CSC), Occupancy Detection integration, and collections of enforcement. Additionally, we maintain operations for the Express Lanes, running and staffing the Traffic Operations Center (TOC) and CSC.

Kapsch is equally proud of the successful deployment of our Roadside Toll Solution for OCTA's I-405 Express Lanes, delivered on schedule in October 2023. Our responsibilities as Toll Systems Provider in this ambitious project included the Roadside Toll equipment, multiple toll collection sites, and outfitting the TOC in Santa Ana.

We value our highly collaborative partnership with both Agencies and look forward to extending our range of services and bringing top-notch technology, expertise, and people to enhance travel throughout the region.

3. PROJECT APPROACH

Our approach to migrating the SR-91 Express Lanes into the I-15 Express Lanes operation is grounded in established methodologies and supported by extensive industry expertise. This initiative represents a strategically planned system integration rather than a routine BOS expansion. It is structured to optimize operational efficiency, mitigate implementation risks, and deliver demonstrable value to both RCTC and OCTA. A seamless integration is essential to preserving operational continuity and sustaining a high standard of customer service. The following section presents our high-level methodology for conducting a successful transition and maintaining effective ongoing operations.

The Program Manager will oversee the entire implementation lifecycle, ensuring effective delivery that leads to a successful Go-Live and formal System Acceptance. This role is assigned to an individual with a proven track record of working with both Agencies, supporting BOS implementations through system acceptance, successfully delivering complex projects.

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As the project progresses, the Program Manager will advance it from delivery into operations, ensuring a seamless transition and continued focus on meeting project objectives. While the O&M Team supports the D&D Team, their primary responsibility is to maintain uninterrupted operations until Go-Live. This delivery model aligns with the approach Kapsch uses across all tolling projects in North America and has been successfully applied to upgrades and enhancements within the RCTC system.

For the BOS Expansion project, Kapsch will use our Delivery Framework methodology. This is our standardized platform for managing every element of a project implementation delivery from pre-planning through a successful Go-Live. The Delivery Framework defines expectations, workflows, deliverables, and resources across all delivery process areas, with templates and processes refined through extensive, real-world experience. The resulting structure provides greater clarity, efficiency, and accountability for project management, which means reliable project delivery for the Agencies.

SUMMARY OF ACTIVITIES

Using our Delivery Framework model, we will conduct the following activities to manage the BOS Expansion project:

- Project Kick Off
- System and BOS Requirements Mapping
- Documentation Deliverables
- Network, Server and PC Hardware Procurement
- Network, Server and PC Hardware Upgrade
- BOS Software Development
- Monthly Software Deployment Release and Verification
- Data Migration
- Website and IVR Upgrade
- Upgrade Third Party Interfaces to include 91 EL Roadway
- Staff Notifications
- Training
- TCSOT Dry Runs and Testing
- BOS Cutover & Go-Live
- TCSAT Dry Runs and Testing

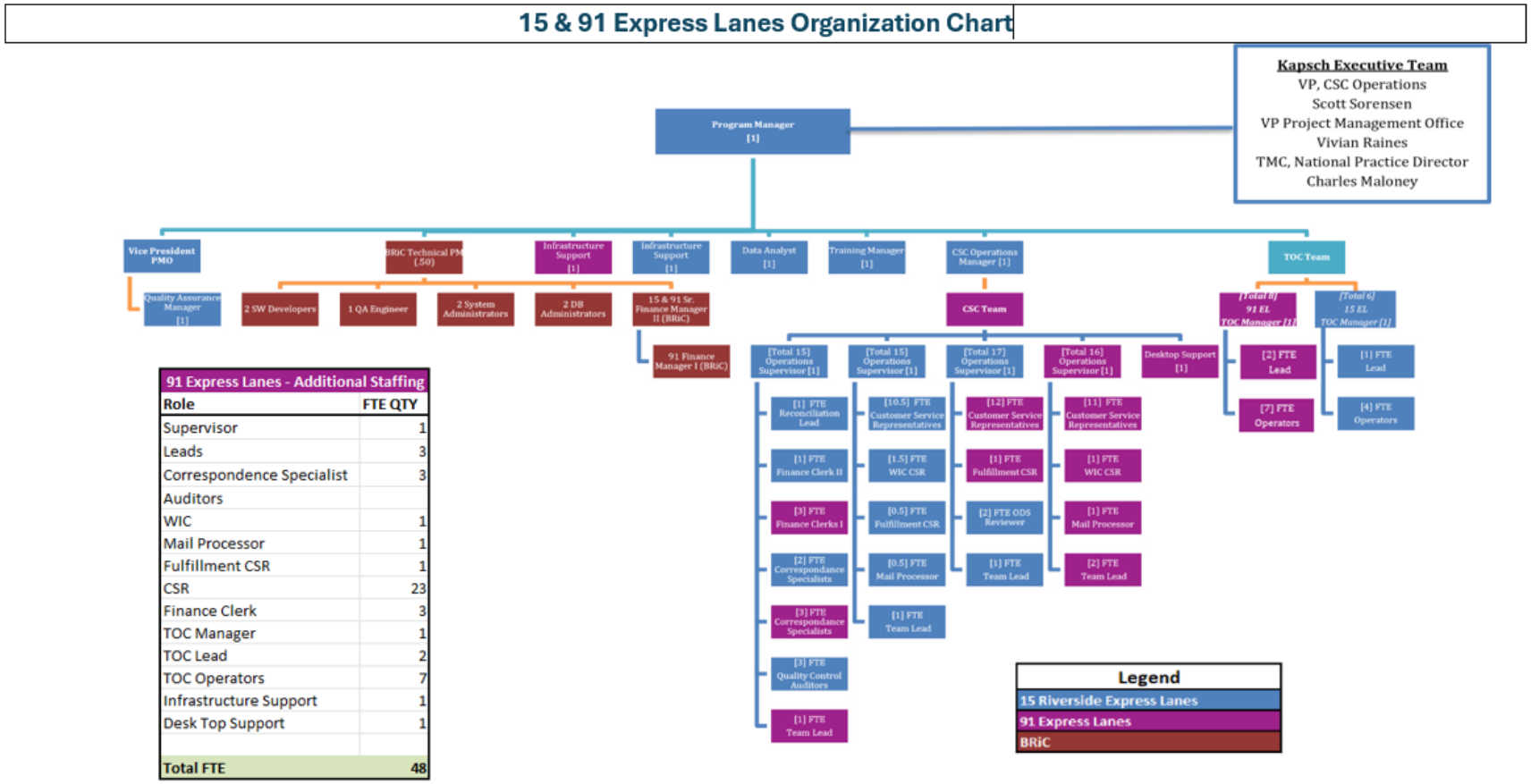
3.1 Key Personnel and Organizational Chart

Figure 1 and Figure 2 details the Operations Organizational Chart and staffing plan with the proposed headcount for the project. As part of this expansion, Kapsch will work with our partner BRiC-TPS, the current I-15 BOS provider, to facilitate the BOS system extension for the 91 roadway.

For each proposed system change or modification, Kapsch and BRiC-TPS will evaluate the scope of the request and produce estimates of effort. Our schedule is based on accomplishing the work using the dedicated FTE software developers currently assigned to the project. If additional skills/resources are needed, or if the timeline is not compatible with the business needs, options to accomplish the work with additional resources can be discussed.

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91 Express Lanes - Additional Staffing	
Role	**FTE QTY**
Supervisor	1
Leads	3
Correspondence Specialist	3
Auditors	
WIC	1
Mail Processor	1
Fulfillment CSR	1
CSR	23
Finance Clerk	3
TOC Manager	1
TOC Lead	2
TOC Operators	7
Infrastructure Support	1
Desk Top Support	1
Total FTE	**48**

Figure 1. 91 & 15 Operations Key Personnel and Organizational Chart

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Riverside Express Lanes - Current Staffing	
Role	**FTE QTY**
Supervisors	3
Leads	2
Correspondence Specialist	2
Auditors	3
WIC	1.5
Mail Processor	0.5
Fulfillment CSR	0.5
CSRs	10.5
ODS Review	2
Finance Specialist (reconciliation/pp/refunds, etc.)	1
Reconciliation Specialist (pp/reports, refund research, etc.)	1
QA/Trainer transition to Training Manager	**1**
TOC Supervisor transition to TOC Manager	**1**
TOC Operators transition 1 FTE to TOC Lead	**1**
TOC Operators	**4**
Data Analyst	1
CSC Ops Manager	1
Service Delivery Manager	1
Infrastructure Support	1
QA Manager	1
Total FTE	**39**

BRiC	
BRiC Technical PM	0.5
2 System Administrators	2
2 Database Administrators	2
2 Finance Managers	2
Total FTE Count	**6.5**

91 Express Lanes - Additional Staffing	
Role	**FTE QTY**
Supervisor	1
Leads	3
Correspondence Specialist	3
Auditors	
WIC	1
Mail Processor	1
Fulfillment CSR	1
CSR	23
Finance Clerk	3
TOC Manager	1
TOC Lead	2
TOC Operators	7
Infrastructure Support	1
Desk Top Support	1
Total FTE	**48**

Legend
15 Riverside Express Lanes
91 Express Lanes
Bric

91 & 15 Express Lanes

91 & 15 Combined Total Staff	
Role	**FTE QTY**
Supervisors	**4**
Leads	**5**
Correspondence Specialist	**5**
Auditors	**3**
WIC	**2.5**
Mail Processor	**1.5**
Fulfillment CSR	**1.5**
CSRs	**33.5**
ODS Review	**2**
Finance Clerks	**4**
Reconciliation Lead	**1**
Training Manager	**1**
TOC Manager	**2**
TOC Operators	**11**
TOC Lead	**3**
Data Analyst	1
CSC Ops Manager	1
Desk Top Support	1
PM	1
Infrastructure Support	2
QA Manager	1
CSR Acct Resolution	**0**
Total FTE	**87**

Figure 2. 91 & 15 Staff Consolidation Summary

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The additional staff included in this plan ensures that all functional areas—Customer Service, Finance, Auditing—are fully equipped to maintain service continuity and uphold the performance standards expected by RCTC and OCTA. The added positions are carefully structured to enhance operational capacity, streamline workflows, and strengthen oversight across the Customer Service Center (CSC), Traffic Operations Center (TOC), and back-office processes. These resources provide the depth needed to manage the higher transaction volumes and more complex account servicing demands, Traffic Operations, and back-office coordination the system expansion will require.

This staffing model supports:

- **Operational Scalability:** Ensuring the organization is resourced to handle increased customer inquiries, roadside events, and back-office processing requirements.
- **Service Quality:** Adding supervisory and lead-level positions to improve response times, customer satisfaction, and service consistency.
- **Financial Controls and Compliance:** Enhancing audit, reconciliation, and payment processing capabilities.
- **Technical Reliability:** Increasing support for roadside systems, TOC operations, and infrastructure maintenance.
- **Risk Reduction:** Ensuring redundancy across all key operational functions.

Altogether, these roles create a robust operational framework that supports seamless system transition, sustained performance, and long-term scalability. Table 1 outlines the additional staff levels and a description of the role.

Table 1. Job/Role Description Table

Job/Role	Description
Management	
Program Manager	The Program Manager will oversee the current I-15 and 91 operations and roadside maintenance along with the 91 BOS and Operations once implemented. This individual will be responsible for the leadership and direction of the program throughout the full lifecycle of the contract and will report to Kapsch's executive management.
Quality Assurance Manager	A Quality Assurance Manager leads the audit and compliance function for the CSC and Roadside, supporting back-office operations, with a primary focus on auditing data integrity, transaction accuracy, and adherence to defined processes and business rules. This role oversees systematic audits of system entries, case processing, correspondence, financial and non-financial transactions, and workflow execution to ensure consistency with contractual requirements, regulatory standards, SOPs, and established KPIs. The Quality Assurance Manager analyzes audit findings to identify trends, root causes, and process risks, and collaborates with Operations and Training to review findings. Additionally, this role is responsible for audit reporting, audit

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Job/Role	Description
	readiness, and ensuring audit methodologies are applied consistently across all CSC departments.
CSC Operations Manager	A CSC Operations Manager provides strategic and operational leadership for the daily operations of the CSC, including but not limited to the Call Center, Walk-In Center, Transponder Fulfillment, Mail Processing, Case Processing, Correspondence, Payment Processing, Refunds, Inventory, Training, Quality Assurance, audit functions, and additional back-office operations. This role is accountable for overseeing staffing, workflows, and end-to-end customer service activities to ensure efficient, compliant, and customer-focused support for toll program services. The CSC Operations Manager ensures adherence to contractual requirements, business rules, and KPIs through active oversight of training, quality assurance, and audit programs, leveraging performance data to identify trends, driving continuous improvement, and promoting accountability and recognition. Through collaborative leadership, this role fosters a culture of teamwork, operational excellence, and productivity while consistently meeting service levels, performance metrics, and contractual obligations.
CSC Team	
CSC Operations Supervisor	The CSC Operations Supervisor provides frontline leadership for the call center, overseeing daily performance, staffing, and service delivery to ensure consistent, compliant, and high-quality customer experience. This role supervises front line associates of all CSC Departments responsible for handling customer interactions through all channels, web, mail, phones and the Walk-in-Center. This includes inbound customer inquiries, disputes, payment processing, refunds, reconciliation, managing account enrollment and maintenance, and supporting toll operations through manual image and occupancy review. The CSC Operations Supervisor ensures adherence to established quality assurance standards, business rules, and performance metrics, while coaching staff, addressing escalations, and monitoring service levels to meet contractual and operational KPIs. Additionally, this role partners with Operations, Training, and Quality teams to reinforce performance expectations, support process improvements, manage corrective actions, and maintain efficient, customer-focused call center operations.
Reconciliation Lead	A Reconciliation Lead manages daily and monthly reconciliation activities supporting our daily operations in terms of financial accuracy and revenue integrity. This role validates toll and violation transactions, payment postings (credit/debit, pay-near-me, check/cash), refunds, and settlement reports by comparing system data across BOS and supporting platforms to ensure compliance with internal controls and audit standards.

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Job/Role	Description
Correspondence Specialist - (Case Processors)	A Correspondence Specialist supports CSC operations by processing all case disputes submitted through mail, web, and phone channels. This includes but is not limited to account inquiries and escalated customer cases from start to resolution. The Correspondence Specialist also processes daily back-office functions and reporting (e.g., Pending trips, OCR, DMV Holds, Dealer Plates, Bad Images) and provides back-up phone support (Help Desk) as needed. Admin Review & Resolutions: Rather than assigning one dedicated individual to this role, we propose a structured case management process supported by a small team with management oversight. This approach provides greater transparency, helps ensure timelines are met, and supports consistent coordination and communication with the customer, Administrative Officer, and the Agency by keeping all parties updated on the status of each administrative review case. A small team structure also provides built-in coverage, ensuring cases continue to move forward without disruption during absences or competing priorities.
Training Manager	A Training Manager oversees the design, development, and delivery of comprehensive training programs supporting the CSC and associated back-office operations. This role ensures that all staff are fully prepared to perform project functions through structured onboarding, role-based initial training, refresher and remediation training, system and process instruction, and ongoing performance coaching. The Training Manager aligns training content with approved business rules, standard operating procedures (SOPs), quality standards, and contractual KPIs, while partnering with Operations and Quality teams to address performance gaps, support process changes, and promote continuous improvement. Additionally, this role maintains training documentation, tracks completion and effectiveness, and ensures program and audit compliance.
Team Leads	A Customer Service Team Lead serves as the first line of support on Help Desk queue, assisting CSRs by handling escalated customer inquiries, providing reductions and mitigations when appropriate, and ensuring accurate resolution in alignment with our business rules. This role supports operations by guiding representatives in real time, assisting with complex cases, and escalating issues to leadership when necessary. The Leads also provide additional workforce support through reporting and real-time phone monitoring to help ensure SLAs are met or exceeded.
Quality Control Auditors	A Quality Control Auditor supports CSC operations by providing daily audits across key operational processes such as fulfillment/mail processing, case processing, inbound calls, refunds, checks/cash processing, walk-in center activity, occupancy detection reviews, and customer communication mailed notices. Identifying trends and documenting findings ensure the CSC continues to strengthen quality

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Job/Role	Description
	performance through established KPIs. In addition, they provide backup support to the CSC.
Walk-In Center (WIC) Representative	Assists customers in person with payments, account maintenance, tag issues, and general inquiries.
Mail Processor	Processes inbound and outbound mail, including payments and customer notices, ensuring accurate routing.
Fulfillment CSR	Handles tag fulfillment, inventory management, and account creation tasks.
Customer Service Representatives	A Customer Service Representative (CSR) serves as the primary point of contact for responding to inbound calls, resolving customer issues by ensuring high-quality customer experience through adherence of QA standards and expectations. The CSR is responsible for processing payments, disputes, prepaid account maintenance, account enrollment, non-account holder inquires, and operational support for manual image review and occupancy review.
Finance Team	
Senior Finance Manager (BRiC-TPS)	The Senior Finance Manager oversees all financial functions supporting the toll operations, ensuring accurate revenue management, budgeting, forecasting, interop reconciliation management, and financial compliance across the program. This role leads control and reporting for toll transactions, violation processing revenue, refunds, reconciliations, and audit readiness while partnering with operational leadership to support KPI performance, cost efficiency audit readiness, and adherence to contractual, regulatory, and internal control requirements. Additionally, the Senior Finance Manager works closely with the Finance department to provide actionable financial insights, support strategic planning, and ensure accurate and timely reporting.
Finance Manager II (BRiC-TPS)	The Finance Manager II supports daily finance operations by assisting with daily reconciliations, revenue tracking, reporting, and transaction monitoring tied to toll payments, violations, and customer account activity. This role helps maintain accurate financial documentation for audits, supports refunds and payment violations, and contributes to budget tracking and expense controls.
Finance Clerk I	Finance Clerk I support the finance department by performing payment and refund processing and administrative and operational tasks that help maintain accurate, organized, and audit-ready financial workflows. This role is responsible for accurately processing and applying customer payments, prepaid and violation transactions, Prepaid replenishments and refunds ensure compliance with established financial controls, program procedures, and documentation standards. Responsibilities include verifying payment details (credit/debit, check/cash, ACH, PayNearMe), posting transactions to the BOS and related systems. Processing refunds,

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Job/Role	Description
	researching and resolving payment discrepancies, assist with: reconciliation, data entry, filing, tracking, reporting preparation, and maintaining records to support daily finance operations.
Finance Clerk II	A Refund Specialist supports the operations by processing and reviewing customer refunds to ensure accuracy, compliance and timely resolution in accordance with program policies and financial controls. This role validates payment history, account activity, and supporting documentation within BOS and related systems to determine refund eligibility and prevent duplicates or incorrect reimbursements.
TOC Team	
TOC Manager	The TOC Manager oversees the Traffic Operators (TOs) who manage Intelligent Transportation Systems (ITS) in support of the Express Lanes project. This role provides daily oversight and guidance to Traffic Operators to ensure accurate monitoring, incident response, and coordination with partner Agencies, ensures operational excellence, employee engagement, and compliance. This role provides daily oversight and guidance to operations staff, setting performance expectations and goals aligned with project objectives. The TOC Manager communicates with the client and Agency partners on all active incidents and issues related to the TOC activities. The role also promotes the growth of team members through training and sills development. Other duties include managing the TOC schedule, including requests for time off and shift coverage during callouts, and hiring, training, coaching, developing, and providing disciplinary actions to operations staff as needed.
TOC Leads	TOC Leads are the most knowledgeable/senior operators who perform all the duties as described under the TOC Operator position while also acting as coach to the Operations staff. This role will advise and direct operator staff to ensure proper handling of incidents and verification processes, review incident management processes to confirm accuracy, and provide information on active incidents as needed.
TOC Operators	TOC Operator duties involve operating a variety of ITS devices and information systems to monitor, evaluate, and direct traffic operations. Responsibilities include but are not limited to: operate CCTV, DMS and other related systems, monitor traffic flow, detect and verify incidents, initiate incident response, coordinate response with multiple partners and Agencies, communicate and disseminate information on traffic incidents and equipment status, verify tolling rates as posted, document and confirm equipment status.
IT Support	
Database Administrator (BRiC-TPS)	The Database Administrator supports both the system configuration and data migration team. Operationally, the Database Administrator manages database configuration, operational maintenance such as

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Job/Role	Description
	backups and tuning, modifications to the database necessitated by updates or security bulletins and patches, maintaining the data on file in accordance with retention and destruction policies, and other tasks associated with the integrity of the data used by the BOS.
System Administrator (BRiC-TPS)	The system administrator ensures that the hardware, software, and environments required to run the BOS are healthy and performant. In addition to maintaining these environments (Production Primary and Secondary, Training, Staging and Development environments), the System Administrator continually monitors the performance of the components of these environments to discover and address issues such as hardware performing out of spec or system utilization trends related to changes in traffic patterns, well in advance of any operational impact. In addition, this role manages and coordinates security patches and version updates, ensures that all COTS components are properly versioned and licensed, and plans and schedules upgrades.
Desktop Support Technician	A Desktop Support Technician provides onsite technical support for the CSC, TOC, and associated departments, in addition to client and vendor user support, ensuring uninterrupted operations of department workstations, printers, scanners, other office systems. This role troubleshoots and resolves network connectivity, hardware, software, and conference room A/V issues, supports user equipment setup and access, and performs routine maintenance to minimize downtime.

3.2 Key Project Milestones

Key project dates have been updated per the schedule in Appendix A. As requested, we have included additional key project dates such as Monthly Release Deployment Completion, Go/No Go decision, and staffing readiness. Table 2 highlights key project dates and updated target completion dates.

Table 2. Key Project Dates

Milestone	Completion Date
Notice to Proceed (NTP)	6/30/2026
FDD Approval	10/23/26
Network, Server & PC Hardware Upgrade	2/24/27
Monthly Release Deployments Completion	2/01/2027
Data Migration	3/8/27
TCSOT Testing	10/1/27
Staffing Training & Readiness	5/3/27
Go/No Go Decision	5/21/27
BOS Cutover & Go-Live	6/01/2027
TCSAT Formal Testing	11/04/27

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3.3 Documentation

As part of the transition of operations to our organization, we will employ a structured, disciplined, and transparent documentation management approach to ensure all delivery, operational, training, and customer-facing materials are fully aligned with 91 Express Lanes business rules. The objective is to maintain continuity of service, ensure operational accuracy, and enable a seamless transition for customers, staff, and stakeholders.

All documentation will be submitted to both Agencies for review and approval. Upon acceptance, we will conduct annual (at a minimum) reviews will for updates and Agency approval. We will incorporate feedback promptly, and revisions will be version-controlled to ensure accuracy, traceability, and compliance with expectations. Documentation deliverables are listed in the Technical Provisions table 3-1. Please review the schedule in Appendix A for the proposed timeline of document delivery.

Operations Documentation Approach and Scope

Our documentation transition will include the following activities:

- **Comprehensive Assessment of Existing Kapsch SOPs.** A full inventory and review of all current SOPs will be conducted to identify gaps, misalignments, redundancies, and improvement opportunities. All applicable 91 Express Lanes business rules will be validated and integrated to ensure consistency across functional areas.
- **Development of New SOPs Where Required to include SR-91 Business Rules.** For processes requiring additional structure or where documentation does not exist, new SOPs will be developed. These SOPs will clearly define workflows, roles and responsibilities, escalation paths, controls, and compliance requirements aligned with 91 Express Lanes operations.
- **Quality Documentation Updates (QSDD and QIP).** The Quality Service Delivery Document (QSDD) and Quality Improvement Plan (QIP) will be updated to reflect 91 Express Lanes business rules, performance standards, monitoring methodologies, and continuous improvement practices.
- **Customer-Facing Documentation Enhancements**. In collaboration with RCTC and OCTA, all customer-facing documentation—including forms, correspondence, notifications, and service guides—will be reviewed and updated for accuracy, clarity, and brand alignment. New documentation will be developed where required to support customer understanding and streamline interactions, as requested by the Agencies.
- **Training Documentation Updates**. All instructor-led and web-based training materials will be updated to reflect 91 updates and revised operational processes, ensuring consistency across all training modules.

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OUTCOME

The schedule in Appendix A reflects delivery time frame for all documentation and SOPs. This phased documentation approach ensures that all operational, training, quality, and customer-facing materials are accurate, approved, and fully aligned with 91 Express Lanes requirements prior to transition.

3.3 Facility Changes and Transition Plan

To support the seamless transition of operations and enhance service delivery, Kapsch will conduct a series of facility modifications and infrastructure upgrades. We will manage these upgrades through a structured, phased transition plan as described in Section 3.3.1. The following is an overview of the facilities affected and the infrastructure upgrades Kapsch will provide to support the transition:

ROC Facility. Kapsch will upgrade the existing network and building security of the 301 suite for the 91 call center to merge the existing network with the current (ROC Server room-Suite 291). We propose joining the 91-conference room wall with the 91 breakroom to expand it and remove the dividing door between the suites to provide a unified call center if structurally feasible and approved by the building engineer. Employees will be provided with noise canceling headsets to reduce sound and background noise, improving call quality, employee focus, and overall customer experience. In addition, Kapsch will add an additional row of workstations to accommodate 10 CSRs & 1 Supervisor. The finance department will be expanded by repurposing the 15-training room, adding 6 workstations adjacent to the current finance count room. The security system and cameras will remain intact, and we will add additional cameras to the 91 side of the suite. Kapsch will support third party vendors by providing an escort on site. Appendix B outlines our proposed floor plan highlighting common areas and shifting groups to a unified space. We will work with the Agencies on modifications that may be necessary upon meeting mutually on these plans and the building engineer.

Anaheim Facility. Kapsch will upgrade the existing network and building security to merge with the current 91 call center (ROC Server Room-Suite 291). In addition, we will conduct a preliminary inspection of the fire suppression, HVAC, generator, and fuel storage systems to perform a comprehensive needs assessment. Upon verifying that these systems are in optimal working conditions, Kapsch will formally assume responsibility for their ongoing service and maintenance. Should any deficiencies be identified, Kapsch will promptly notify the Agencies and provide a corrective action plan, including recommended next steps and associated costs. We will work with the existing vendor to take over the existing circuit or order a replacement circuit with the same capacity via AT&T. Following a successful handover, our local maintenance team will assume full responsibility for ongoing service management and technical support to ensure continuous connectivity

OCTA Store. The existing network and building security will be upgraded to merge with the current 91 call center (ROC Server Room-Suite 291). Kapsch will gain knowledge on how to support the OCTA store during phase 1 of the transition, and we will maintain the current support and service model as it exists today. Support requests will be addressed by the local support team and escalated for any issue that demands increased support through our existing service center. We will provide the OCTA store with 3 workstations with necessary equipment.

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3.3.1 Facilities Transition Plan

PHASE 1 – ADC TOC, ROC 91 CSC AND OCTA STORE: DISCOVERY AND DUE DILIGENCE

Kapsch will initiate the transition with a structured discovery and due diligence phase to establish a comprehensive understanding of the ADC TOC, ROC 91 CSC and the OCTA store facility systems, and operational environment. This phase will include a detailed review of the facility requirements, applicable Standard Operating Procedures, and relevant Technical Provisions, along with walkthroughs of the ADC TOC, ROC 91 facility, and the OCTA store.

Kapsch will inventory existing ADC infrastructure, equipment, and network components, review maintenance and inspection records for critical systems such as HVAC, generators, fire suppression, and validate current security and access controls. Kapsch will verify that all 91 CSC workstations and additional office equipment at the ROC are working as expected. The outcome of this phase will be a confirmed baseline of facility readiness, clearly defined responsibilities, and early identification of risks or dependencies that could impact the transition. If issues are identified, Kapsch will notify the Agencies and provide a corrective action plan, including recommended next steps and associated costs.

Transition Steps

- Acquire access to ADC TOC HVAC systems, fire suppression systems, generators, server racks, and associated infrastructure, as well as responsibility for network and equipment. Reset passwords and access to each system.
- Complete inspections of ADC TOC HVAC, fire suppression, and generators to document condition at hand over. Provide a list of items needing service or repair
- Obtain access to the 91 Call Center Network Closet in the ROC.

PHASE 2 – ADC TOC, ROC AND OCTA STORE: FACILITIES AND INFRASTRUCTURE UPGRADE

During this phase, Kapsch will formally assume operational responsibility for the facility, network, and equipment elements defined in the Facility SOW. This includes the operation and maintenance of ADC HVAC systems, fire suppression systems, generators, server racks, and associated infrastructure, as well as responsibility for network and equipment connectivity from the ADC to TOC workstations. Kapsch will also assume responsibility for office network services, ISP connectivity, and security systems, including camera and badge access controls, in accordance with established SOPs.

- Kapsch to procure and provide the ISP data connection in the Anaheim Facility through AT&T
- Kapsch building security will be extended to the ROC and ADC. Kapsch with ADT will evaluate if existing can be converted and utilized or new needs to be added.
- Maintaining the network as-is, the future step is to consolidate IP addresses and simplify network design.
- Extend network and add 91 Call Center network closet with the ROC Data Center
- Extend network to OCTA store

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Provide preventive maintenance schedules will be established, vendor support arrangements confirmed, and escalation procedures validated to ensure continuity of service. This phase ensures that all physical and technical infrastructure is fully operational and managed prior to service takeover.

Preventive Maintenance Frequencies

Generator, Fuel, UPS, HVAC:

- Annually: Full maintenance by a certified professional
- Quarterly per year: Inspection, typical service filter replacements and exercise by a certified professional

Fire Extinguishers:

- Annually: Full maintenance by a certified professional.
- 6-Year: Disassembly, cleaning, & component replacement.
- 12-Year: Hydrostatic testing of cylinders.

Fire Sprinklers:

- Semi-Annual: Mechanical components like valves and gauges.
- Annually: Full system test, including flow & alarm verification.
- Every 5 Years: Internal pipe inspections for corrosion/blockages.
- Long-Term: Sprinkler head replacement/testing at 20-50 years, depending on type.
- Fire Suppression Systems follow California Fire Code guidelines

Unified Call Center Consolidation – ROC Location

The two customer service call center suites at 301 Corporate Terrace Cir and 291 Corporate Terrace Cir in Corona, California will be combined into one unified operational environment. The two suites will be physically and operationally integrated into one continuous workspace by removing the door that currently separates them, subject to structural verification and required approvals. Consolidating these operations will create an integrated call center of approximately 77 employees, designed to improve operational efficiency, enhance customer experience, optimize space utilization, and reduce redundancy across facilities and support infrastructure. In addition, this proposal formally designates the former RCTC four-office suite as dedicated space for management and support functions that enable and strengthen daily operations. (See Appendix 2 for the diagram.)

The strategic rationale for this consolidation is driven by the inefficiencies inherent in maintaining two separate but co-located operations. The current configuration results in duplicated common areas, fragmented team structures, and inconsistent customer service workflows. By unifying the call centers into a single operational footprint, the organization will streamline customer interactions through one centralized walk-in service center, strengthen collaboration and supervisory oversight, reduce overhead associated with redundant infrastructure, and create a more scalable and flexible operating model aligned with long-term organizational objectives.

Implementation of the consolidation will follow a structured, phased approach designed to minimize disruption to ongoing operations. Initial activities will focus on governance, planning, and Agencies'

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approvals, including, coordination with Facilities, IT, Security, Human Resources, and Finance, and completion of architectural and code reviews. Required landlord permissions, building permits, and regulatory approvals will be secured, and compliance with fire life safety, ADA, and occupancy requirements will be confirmed prior to construction.

Physical integration activities will include restoration and unification of flooring, ceilings, lighting, HVAC, and interior finishes, and integration of telecommunications and network infrastructure to support the combined call volume and staffing levels. Access control systems, security configurations, and emergency signage will be updated to reflect the unified suite and ensure safe, secure movement through the space.

Customer-facing operations will be consolidated with a now single walk-in service center without two separate Agencies servicing the public. Both desks in the public-facing area will be able to support each other if higher volumes occur with expanded reception capacity, improved queuing flow, and standardized signage and branding. Customer intake procedures will be aligned to ensure consistent service delivery regardless of the nature of the inquiry.

Space Utilization – ROC Location

From an organizational perspective, the workforce will be reorganized into larger, functionally aligned CSC and TOC teams supported by clear reporting structures and supervisory roles Seating will be reconfigured into team-based pods to promote collaboration, improve communication, and enhance managerial oversight as referenced in Appendix B.

Following implementation, redundant spaces (for example-fulfillment room, training room, CSR workstations) will be decommissioned or repurposed for training, overflow, or future growth. Operational performance, space utilization, and service metrics will be reviewed at 30-, 60-, and 90-day intervals to ensure the consolidation objectives are met and to identify opportunities for further optimization.

Employee Grouping and Workspace Design

Employees will be grouped intentionally by function and workflow to support communication efficiency, performance consistency, and employee engagement while minimizing operational friction. This structure is designed to align physical space with operational needs, supervisory oversight, and collaboration requirements across customer-facing and back-office teams.

The 291 Corporate Terrace Cir location will serve as the primary inbound customer service hub. It will house 40 CSR workstations and 4 supervisor workstations, organized in a centralized call center layout. The existing configuration includes three rows of workstations, with capacity to install an additional row to ensure all inbound phone CSRs are co-located within a continuous operational area. Having inbound CSRs in a single location promotes real-time communication, faster escalation and resolution of customer issues, consistent coaching, and better queue management. Supervisors will be positioned within the same footprint to enable immediate support, active floor presence, and performance monitoring.

Given the density of inbound call activity in this area, noise reduction headsets will replace all existing 91 & 15 headset equipment that provides noise gate technology reducing background noise to improve call quality, employee focus, and overall customer experience.

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In addition to the call center floor, the 291 location will include eight offices and support spaces consisting of a Mother's Room, HR Office, Desktop Support Office, four Manager offices, TOC Manager Office, Finance, and Fulfillment/Mail Processing offices. Locating these roles adjacent to the inbound call center supports rapid cross-functional communication, timely issue resolution, and accessible leadership, while maintaining appropriate separation for confidential or specialized functions.

The 301 Corporate Terrace Cir location (previously the 91 Express Lanes space) will support training and back-office operations. This area will include five offices consisting of a Training Manager Office, two Huddle Room, and one Visitor Flex Offices along with one dedicated Training Room. The conference room will be repurposed to join the existing 91 Breakroom expansion.

The space will also house three Lead/Supervisor workstations and 30 CSR workstations dedicated to back-office processing, and two storage rooms. Grouping back-office CSRs and leads in this environment allows for focused, interruption-reduced work with proximity to training resources, leadership, and collaborative meeting spaces. There is an additional row of vacant workstations that allow for scalability driven by business needs. This can be utilized for potential new hires, nesting, or additional training support.

This functional separation, centralizing high-volume inbound phone activity at 291 and positioning training and back-office operations at 301 supports operational efficiency while maintaining strong communication channels between teams. It enables supervisors and leads to tailor coaching and performance management to the specific demands of each function, while providing employees with work environments aligned to their responsibilities.

The two conference rooms and the training room located across the 291 and 301 facilities will require upgraded table-integrated power outlets, dedicated conference speaker systems, and connectivity for USB-C, HDMI, and standard power outlets. These upgrades will ensure effective hybrid collaboration, training delivery, leadership meetings, and cross-functional communication without technical barriers.

Overall, this employee grouping and space design promotes collaboration through proximity, improves efficiency by aligning space to workflow, enhances performance through appropriate supervision and reduced noise distractions, and supports employee engagement by providing purpose-built environments that enable employees to perform at their best.

Approval of this proposal will enable the organization to modernize and streamline its customer service operations while making optimal use of existing facilities. The consolidation represents a low-risk, high-value initiative that strengthens service delivery, improves internal coordination, and positions the organization for future operational growth. Executive approval is recommended to proceed with detailed design, cost development, and implementation planning.

Table 3 outlines facility upgrades that are included in the pricing.

Table 3. Facility Upgrades

Item	Locations	Included in Price	Excluded from Price	Contingency
Fire Suppression Inspection	ADC	X		

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Item	Locations	Included in Price	Excluded from Price	Contingency
HVAC, Generator, Fuel Storage, UPS Inspection	ADC	X		
Identified equipment replacement for HVAC, generator, fuel system, UPS	ADC		X	
Installation of Building Security System	ADC Extending to ROC Suite 301	X		
Extending Network	ROC- Extending network to ROC Suite 301 via telecom closet ADC-Extending network from ROC to ADC for TOC and other staff OCTA Store- Extending network for walk-in services	X		
Sound proofing system	ROC CSC	X		
Additional 10 workstation row for CSR	ROC CSC	X		
Removal of dividing wall in break room including finishings and restoration	ROC CSC			X
Conference speaker systems, and connectivity that support USB-C, HDMI, and standard power outlets.		X		

Contingency funds are reserved for light construction activities, including the selective removal of an adjoining wall. Any work performed under this contingency will include full restoration and finishing, provided that all associated costs remain within the approved contingency fund

PHASE 3 – SYSTEMS AND OPERATIONAL VALIDATION FOR ADC TOC, ROC AND OCTA STORE

Comprehensive systems and operational validation will confirm that the ADC TOC, the ROC, and OCTA Store are fully ready to support operations under Kapsch management. This includes validation of connectivity to the TOC workstations, CSC workstations, BOS operational equipment, monitoring tools, and confirmation of integration with the Parsons-provided Advanced Traffic Management System (ATMS). Network performance, and redundancy, cybersecurity controls, will be tested to verify resilience and reliability. Monitoring, alerting, and escalation procedures will be reviewed and exercised to ensure

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incidents are detected and addressed promptly. Successful completion of this phase provides assurance that all systems and operational processes are functioning as required prior to transition.

The facility and operational validation will adhere to the existing contract Technical Service Provisions from Volume III sections 9 and 10.

PHASE 4– CONTROLLED SERVICE TAKEOVER AT GO-LIVE

Kapsch will execute a controlled and coordinated service takeover following completion of all validation and readiness activities. The takeover will be conducted in a manner that maintains uninterrupted TOC and CSC operations, with parallel oversight and heightened monitoring during the initial transition window. Kapsch will assume full responsibility for facility operations and systems monitoring, while maintaining close coordination with the Agencies.

PHASE 5– STABILIZATION PERIOD POST GO-LIVE

Following service takeover, Kapsch will enter a 60-day hyper care stabilization period to ensure the long-term success of the facility transition. During this period, Kapsch will provide additional operational oversight to confirm that systems and facilities are performing in accordance with agreed service levels. These tasks include:

- Facilities & IT support
- ROC – RCTC Building Manager and Kapsch Local IT Support
- ADC TOC – Kapsch Roadway Maintenance team and & Kapsch Local IT Support
- OCTA Store – Kapsch Roadway Maintenance team & Kapsch Local IT Support

The roadway maintenance team provides coordinated dispatch support for IT service needs. Upon receiving a service request, the team promptly engages Kapsch Level 2 Technical Support and Infrastructure personnel to initiate resolution. Maintenance staff verify system connectivity on site and securely share workstation screens as needed to facilitate technical triage and expedite service restoration.

Any transition-related issues will be documented, tracked, and resolved in coordination with the RCTC & OCTA Agencies. A transition closeout review will be conducted to confirm successful completion of the transition; capture lessons learned and formally establish steady-state operations. Upon the Agencies' approval, the transition will be deemed complete.

3.5 System Changes

The main driver of hardware changes is to support the increased computation and network data loads for both SR-91 and I-15 traffic volumes, increased processing of data by the BRiC-VTX BOS (which is the current production BOS for the I-15 roadway), archived data from the 91 EL roadway that is being migrated to the BRiC-VTX BOS, anticipated increased usage of the website and CSR interactions, and additional load on documentation workloads and interfaces.

Kapsch plans to utilize and upgrade the existing infrastructure to the maximum extent possible, however some of the current equipment such as the Dell VxRail technology managing the Host cluster are end of life and cannot be scaled up. This requires replacement. We will also make upgrades to the network to support additional capacity for usage. These changes will take place at both the ROC and the Disaster

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Recovery locations. The OCTA roadside image storage will be upgraded at the Anaheim Data Center and at the OCTA Disaster Recover location at the CyrusOne Colocation (Colo) in Austin, Texas in order to support increased retention of OCTA SR-91 images.

We will replace the network and firewall devices with upgraded components to accommodate additional bandwidth for collection of both I-15 and SR-91 data (primarily trip data and associated images) coming from the Electronic Toll Collection (ETC) host, and to allow enough bandwidth for anticipated increased website usage, and real-time usage of system by CSRs. Several other additions will be made to expand the network to accommodate additional connectivity of devices such as CSR workstations and other new CSC devices to support daily operations. The Website Application Firewalls (WAF) will also be upgraded to support scaled load balancing for increased website usage. We will maintain network segregation for security compliance as part of the overall network upgrade.

The host cluster infrastructure will be replaced with Dell PowerEdge for hypervisors and Dell PowerStore technology for the VM storage to host the scaled up BRiC-VTX BOS machines to support I-15 and SR-91. This will ensure the system will maintain load and system responsiveness to increased usage from CSR operators and website visitors during operations, maintain the non-production BRiC-VTX BOS environments, and support other hosted VMs to support operations such as Jumphost for remote operations, log servers, etc.

Kapsch will also upgrade the storage on the OCTA roadside to accommodate all data retention requirements for OCTA SR-91 images. The BRiC-VTX BOS application will point to the OCTA image storage for images when CSRs or other reports/docs reference the image. This will help reduce data flow requirements to the ROC. This is similar to the approach for RCTC I-15 images today, where the Isilon stores images referenced by both the ETC Host and CSC Host. RCTC SR-91 images are already on the RCTC Isilon, and that storage will also support additional files and documents to support the data migration from the current SR-91 BOS.

Overall, the combination of changes to the network, firewall, host cluster, and storage components at both the ROC and Disaster Recovery sites will support scaling the BRiC-VTX BOS to support increased usage, all while maintaining Payment Card Industry Data Security Standards (PCI DSS).

As part of the overall upgrades, Kapsch intends to move all Disaster Recovery site equipment to a new location. This primary reason for this change is due to limitations in space at the Fiber Alley location for the upgraded solution. The second reason is that a new DR site will allow Kapsch to perform significant portions of the network and IT infrastructure installation at the new DR site, allowing for minimal downtime of the secondary and maximizing migration of the system to new infrastructure before cutover. To further detail these changes, Figure 3 highlights what equipment will be replaced in the system. After the initial system upgrade is performed, future system replacements will be covered under the previously agreed to RCTC system refresh agreement.

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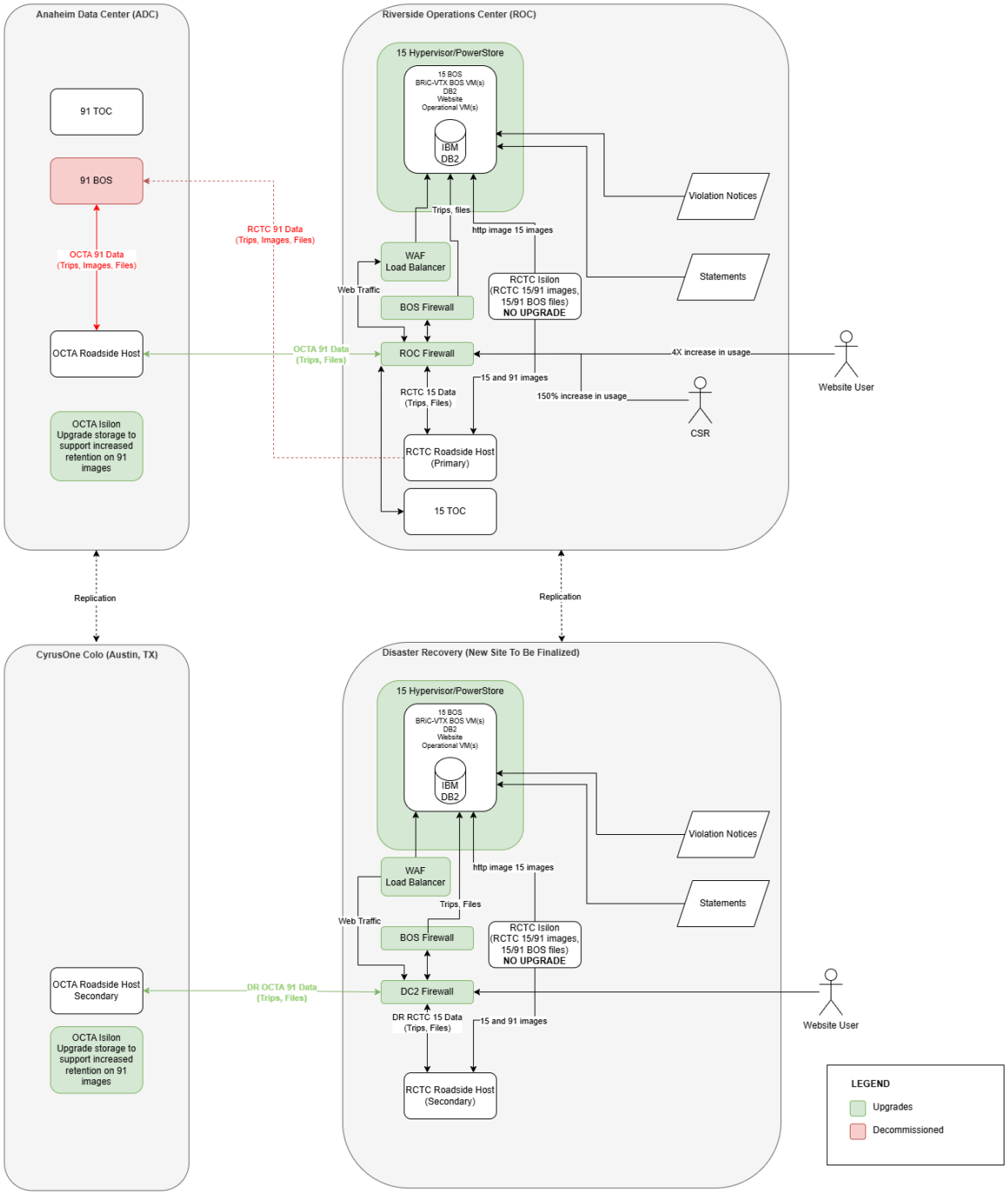


Figure 3. Proposed System Changes

In addition to the BOS infrastructure hardware upgrade, we will also procure and install 11 new computers and workstations for the additional row in the ROC CSC facility and 3 computers and workstations in the OCTA store. Table 4 details hardware that is included in our pricing.

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Table 4. Hardware

Item	Locations	Included in Price	Excluded from Price
91 TOC computers and workstations	ADC		X
91 CSC computers and workstations	ROC CSC		X
Additional 10 computers and workstations for CSR's & 1 computer and workstation for the Supervisor.	ROC CSC	X	
3 computers & workstations	OCTA Store	X	
POS terminals	OCTA Store	X	

3.6 Software Changes

Software modifications will be implemented based on a comprehensive review of the provided business rules, changes to the technical provisions, modifications to the website for consolidation of both roadways, trip transaction processing from the 91 facility, report updates including financial and reconciliation changes, modifications for IVR workflow, and third party interface updates including the addition of collections. These will be designed and developed in close collaboration with RCTC, OCTA, and Larson Consulting.

This effort will ensure that the BOS is fully aligned with the operational, policy, and procedural expectations defined. This includes updating existing business rules, retiring rules that no longer apply, and developing new rules where gaps were identified. Each update will be systematically integrated into the BOS to ensure consistent application across all system functions, data flows, and customer-facing processes. In addition, Kapsch and BRiC-TPS will update web designs to include co-branding and implement a mutual landing page/home page on the web if both Agencies agree.

SOFTWARE DEVELOPMENT AND DEPLOYMENT

Software development will follow an iterative sprint methodology to verify system updates and new features for existing hardware. Rather than a "big bang" implementation, Kapsch will follow an incremental approach to mitigate the inherent complexities of cutover and Go-Live. To ensure full transparency, a comprehensive sprint roadmap will be provided, detailing specific functional modifications and a release schedule.

- System validation will be conducted through iterative testing cycles corresponding with each incremental build. We anticipate a monthly release cycle; however, the release schedule will be established during the initial kick-off phase
- Kapsch will adhere to current Change Management Procedures for all system modifications. A Request for Change (RFC) will be issued which will provide technical details, rollback plans, and specific impact of the changes being implemented.
- BRiC-TPS will conduct pre-testing in the lower environment to mitigate risks.

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- Changes will be promoted to existing production hardware to validate the integration of new interfaces and CSC components within the BOS to the maximum extent possible. Some changes will require SR-91 data and can only be verified in the QA environment.

REPORTS

We will conduct a full review of the operational and financial reports' functionality and applicability. Any reporting gaps identified by the analysis will be addressed by new and/or modified reports, which will be incorporated into the Jasper reports library associated with BRiC-VTX BOS. Applicable reports will be updated to calculate and display data separately by Agency or combined, as appropriate.

3.7 Testing

The testing phase is structured to ensure a high-integrity transition through an iterative development and validation lifecycle. BOS development and monthly software releases will utilize existing equipment in iterative cycles to rigorously validate new SR91 Express Lanes (EL) functionality. Following this initial validation, the Toll Collection System Operational Test (TCSOT) will evaluate comprehensive system readiness on the new hardware. The process concludes with the Toll Collection System Acceptance Test (TCSAT), conducted under live conditions to secure final System Acceptance.

Members of BRiC-TPS Software Quality Assurance Engineering (testing) team are responsible for Software Quality Assurance during the development phase as well as preparing and conducting formal tests. They are experts in testing methodology and tools, backed by extensive operational experience. No FAT will be performed on the Bric software; code changes will be handled monthly via the established RFC process.

As the prime contractor, Kapsch maintains overall responsibility for verifying that all technical requirements are met, validating seamless system integration, and ensuring that the final end-to-end solution performs reliably.

TEST PLANS

The following tests will be performed as part of the scope.

Toll Collection System Operational Test (TCSOT)

The TCSOT will be performed prior to Go-Live to ensure the entire system is production-ready. Specifically, this includes:

- TCSOT will be performed on new equipment to ensure system readiness.
- Phased Data Migration: The majority of data migration will be completed prior to the final cutover, followed by a final incremental data migration to ensure all records are current.
- End-to-End (E2E) functionality of the system from the Roadside through the Back Office System (BOS) to the external third-party interfaces Verification of reports in production

Toll Collection System Acceptance Test (TCSAT)

The TCSAT will be performed post Go-Live to verify system and CSC operations. Specifically, this will include:

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- Verify operations of System for 60 days after Go-Live under live traffic conditions
- Demonstrate compliance of KPI's and the associated monthly reporting
- Documentation of deficiencies and corrective actions
- Completion and resolution of all punch list items prior to project close-out

3.8 Data Migration

BRiC-TPS possesses a specialized skill set in data migration, specifically designed to bridge the gap between complex tolling logic and high-volume database architecture. Their team of database designers and administrators understand the needs of high availability/high transaction volume databases, as well as the unique nuances of the tolling industry and how diverse datasets must come together for successful revenue collection. Combining this knowledge with state-of-the-art data analysis tools, the data migration team will quickly develop and iteratively test automated migration scripts to pull all relevant legacy data into BRiC-VTX BOS for complete utilization on Day One of operations.

BRiC-TPS team has decades of data migration experience, moving billions of records from a variety of systems into DB2 and Oracle-based versions of the applications. Operational and financial expertise ensures data from the legacy system is effectively incorporated into BRiC-VTX BOS and that account records and reports can seamlessly make effective use of the historical information moving forward.

Discussions with Via Plus have resulted in a commitment for them to provide SR-91 data to BRiC-TPS in a layout requested, with periodic incremental updates moving forward. With SQL access to these views for general demographic tables, financial transactions, adjustments, etc., BRiC-TPS will transform the data for import into BRiC-VTX BOS tables. Table 5 highlights our understanding of data volumes currently in use.

Table 5. Data Volumes

Data Type	Storage Size
Relational Database	5 TB
Statements/Documents/Retained Interop files	7 TB
Retained images	230 TB

Importing the bulk of the data in advance of the cutover enables us to move the final conversion over efficiently and with reduced risk.

APPROACH TO MIGRATION AND TRANSITION/GO-LIVE

The high-level phases to migration and transition/go-live are as follows.

Initial Data Migration. BRiC-TPS uses an automated approach for data migration, exporting legacy tables into flat files early in the process to establish the migration baseline. This supports minimal disruption to the work of the legacy vendor and production processes while providing an environment conducive to iterative analysis from a known baseline. Converting the bulk of the data prior to cutover

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means that only a relatively small "delta" subset will need to be converted during the critical cutover period.

Transition. Key steps in the transition from the legacy system to BRiC-VTX BOS are:

- Prior to commencing transition, our team will provide test results and demonstrations confirming that the capabilities required for an orderly transition with minimal disruption to Agency business or customers are met.
- Prove the data migration strategy is sound, methods used will maintain data integrity, and the time required to execute the conversion does not exceed the time allotted for conversion/cut-over.
- Confirm the information technology infrastructure is ready – including hardware, data connectivity (including connections to third-party interfaces and interoperable Agencies), customer self-service options, and customer service telephony.
- Review the cutover plan tasks, assignments, and schedule with the Agency and obtain approval to proceed.

3.9 Cutover & Go-Live

Kapsch will develop a transition plan addressing all necessary tasks in detail for a smooth transition into the BRiC-VTX operational phase. The plan includes the actions and conditions required for entry, a detailed schedule of tasks to complete the final data migration and decommission of the legacy system and contact information for key resources and decision makers during the cutover period. The Transition plan will include the required support needed for cutover, the requirements for a Go/No-Go decision, and a detailed step-by-step procedure defining daily activities/schedule to be performed during cutover.

Detailed planning and alignment between all parties are critical for a successful Go-Live. Before Cutover begins, Kapsch will sync with the Agencies, current BOS provider, and all third-party providers to review the transition plan. To ensure a seamless transition, Kapsch and the BRiC-TPS team will conduct comprehensive briefings with the Agencies, CSC Operator, and interface providers to ensure every step of the cutover process is transparent and well-coordinated. Upon the successful completion of these activities and a formal Go/No-Go decision, we will proceed with the official Go-Live of the new BOS.

FINAL MIGRATION

Final data migration is a critical activity during Cutover. BRiC-TPS optimizes migration procedures during iterative tests throughout the development process. Time allocated for the final incremental data migration during Cutover is not a guess, but a careful estimate informed by multiple data migration runs conducted prior to cutover. The plan for final migration is to stop all operations on Friday evening, perform the final migration on the weekend, and restore operations before Monday morning before Go-Live. The team uses procedures and methods honed throughout the development phase to validate the results of the data migration test runs; this ensures reliable tools are being used to validate the data migration results.

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3.10 Transition of Operations

Kapsch brings extensive experience in transitioning complex transportation systems and critical personnel into a fully integrated operating environment. This transition effort encompasses the migration, stabilization, and integration of back-office systems, including customer data management, financial platforms, and operational workflows required to support both the SR-91 and I-15 Express Lanes.

To ensure effective governance and consistent oversight across both facilities, Kapsch will leverage a unified management structure. The Program Manager, CSC Operations Manager, and two TOC Managers will provide coordinated leadership across the SR-91 and I-15 operations, ensuring alignment with contractual requirements, operational standards, and performance objectives. This integrated approach promotes consistency, streamlines decision-making, and enhances operational resilience.

As part of this approach, Kapsch will strategically utilize experienced personnel from the existing I-15 Operations project during the Implementation Phase. These team members are already fully trained on Kapsch systems, processes, and operational requirements and will support transition activities to achieve efficiencies, reduce risk, and accelerate stabilization. Work performed by these I-15 Operations staff during the Implementation Phase is not included in the proposed pricing, as their services are funded under the existing I-15 contract. This staffing strategy results in measurable cost savings to the Agencies while maintaining high levels of expertise and continuity throughout the transition period.

Launch Processes

Proposed key launch processes that we will implement to support a transparent and successful launch process of the CSC and TOC.

- Kickoff Meeting:
  - Request employee lists, roles, contact information, training records, etc. to initiate personnel and coordinate interview process.
  - June 2026 - Kapsch provides a Welcome Letter that introduces the organization and sets the tone for the transition. The letter highlights Kapsch's employee-focused culture, comprehensive benefits, available resources, key points of contact, and a high-level overview of onboarding steps.
  - Jan. - Feb. 2027 - The interview process will include individual discussions that will focus on understanding skill sets, career interests, and role alignment.
  - Feb. – March 2027 – Kapsch will complete job offers and background checks and provide continuous support to employees throughout the personnel acquisition process. This includes, but is not limited to, onboarding activities such as job offers, background checks, account creation steps, employee follow-up, and open-door policy for any questions or concerns.
  - March – April 2027 – Additional Staff hiring (as needed)

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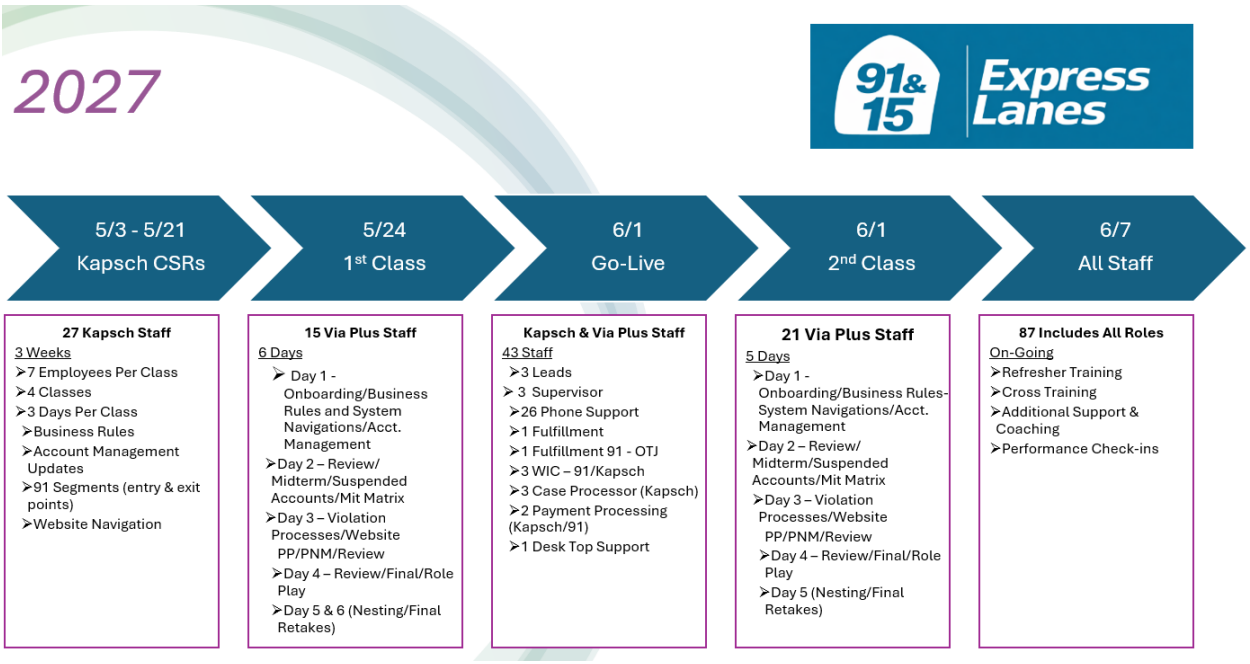


Figure 4. Training Timeline

3.10.1 Via Plus CSC and TOC Staff Transition to Kapsch Plan

Kapsch is committed to a smooth, respectful, and welcoming transition for Via Plus employees during the transition period. We greatly value the expertise and dedication demonstrated by the Via Plus team, and we are excited for the opportunity to welcome these skilled professionals into our organization. Initial TOC training should not be required in the beginning. Best practices will be shared and as efficiencies build; cross training will be developed. The training schedule includes Kapsch existing employees, Via Plus employees and OCTA Store staff.

To maintain continuity and leverage the institutional knowledge critical to CSC and TOC operations, essential operational positions, such as CSRs, WIC CSRs, Fulfillment CSRs, Mail Processors, TOC Operators, Image Reviewers, and Payment Processors, will be fully absorbed to ensure continuity of service and retention of operational expertise. Employees who express interest in management or specialized roles will be invited to participate in a structured interview and evaluation process to assess alignment with role requirements, organizational needs, and the future operating model.

We will interview all Via Plus employees who express interest in Kapsch opportunities to review their skill set and experience for available positions. For transparency, Kapsch will communicate the hiring plan to the Agencies prior to extending job offers to candidates who best meet the required qualifications and standards. All new hires must successfully complete the screening process. Any reductions in the workforce resulting from failed background checks or natural attrition will require additional hiring as needed to meet service level requirements. Recruiting will begin immediately upon notification of any staff reduction.

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All Via Plus employees will be provided with new badges to access their work locations. The Anaheim location will need to be accessed to update the security system with our current vendor and install new badge readers and cameras. New hires will be provided with badges as appropriate during onboarding in February 2027.

We recognize that some current staff may choose not to transition, so we are fully prepared to recruit, hire, and train new employees to ensure the CSC and TOC remain fully staffed and operationally ready. Kapsch will interview and extend job offers in Feb/March of 2027. This will allow for a lead time for background checks to fully process and be completed by March/April 2027. If there are any unfilled positions, Kapsch will begin immediate recruitment.

During the recruitment phase, Kapsch Senior HR leadership and CSC staff will meet with employees onsite to introduce our organization by hosting an open house; highlighting our culture, discussing benefits, career pathways, and opportunities for growth. Employees who are interested will then complete an online application and be scheduled for an interview. Applicants who pass the background check and accept offers will become a Kapsch employee with the first class conducted on Monday, May 24, 2027. The remaining staff will become Kapsch employees on Tuesday, June 1st 2027. The first New Hire CSC Training class will begin May 24th, 2027, and will run for seven days, with fifteen employees. This training period, as well as the onboarding training, will be paid by Kapsch. Training will commence from May 24th to June 7th2027. Employees in specialized roles, including finance, case processing, fulfillment, etc. will have a side by side training coordinated. The OCTA store will have separate scheduled training prior to go-live.

Kapsch is enthusiastic about welcoming the SR-91 Express Lanes team into our organization and is committed to providing a positive, transparent, and supportive onboarding experience throughout this transition.

3.10.2 SR-91 Traffic Operations Center

Kapsch will utilize the Agency provided ATMS and the existing Via Plus SOP and Incident Management Plan for the TOC. In preparation for the transition process, we will conduct internal pre-boarding, which ensures that all system access, credentials, and compliance training are ready before the start date. Currently, we also confirm whether an individual is part of a "re-hire," as this action requires a slightly different internal system preboarding process. While preboarding is underway, Kapsch will issue offer letters for the incoming staff to confirm employment status for the start of the new contract.

To ensure a smooth hiring process, the Kapsch TOC Management team and our dedicated HR representative provide onsite support through employee documentation, resource access, and onboarding presentation activities. We assign mandatory company compliance training centered around safety, regulatory, and operational protocols. Ongoing support and dedicated contact information are provided to ensure new employees are empowered to reach out with questions.

The TOC team will be supported by the following leadership throughout the transition and onboarding process:

- TOC National Practice Director, Charles Maloney
- TOC Sr. Project Manager, Mary Bundridge

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Staffing Plan

The staffing approach for the Traffic Operations Centers (TOCs) is designed to ensure continuous, efficient, and compliant operations at both facilities. Each Express Lanes TOC is led by a dedicated TOC Manager who provides overall oversight, ensures adherence to established Standard Operating Procedures (SOPs), and maintains accountability for daily operational performance in support of 24/7 operations.

The **SR-91 Express Lanes TOC** is staffed with one TOC Manager, supported by two Leads, and seven Operators. The Leads assist in supervising day-to-day activities, coordinating operational responses, and providing guidance to Operators. Operators are responsible for real-time traffic monitoring, incident management support, and system operations to maintain safe and efficient traffic flow.

Similarly, the **I-15 Express Lanes TOC** is staffed with one TOC Manager, one Lead, and four Operators. This team structure provides the appropriate level of oversight and operational capacity to support continuous traffic operations, incident response coordination, and compliance with contractual and procedural requirements.

This staffing model ensures adequate coverage, clear lines of authority, and operational continuity across both facilities, supporting reliable performance, rapid response, and effective management of Express Lanes operations at all times.

Training

As the SR-91 TOC is not changing its operational applications, there will be no need for systems training upon project launch. However, we will evaluate training resources, seeking both client and TOC team insight, to identify potential training resource gaps with the goal of progressively improving the training protocol throughout our partnership.

In 24/7 TOC operations, dynamically changing conditions can create unique and urgent needs to which the operations staff must quickly respond. Each TOC employee is trained in all TOC systems, documentation measures, incident response, EL closures, communication, and coordination processes. We achieve this through progressively building the core Knowledge, Skills, and Abilities (KSAs) needed to effectively manage traffic and tolling incident dynamics through defined SOPs, supported guidance, and constructive feedback throughout. During the transition process, any unfilled TOC positions will be fulfilled through the recruitment process. The training approach for new hires onboarded during the transition process, and new staff hired following transition, follow the below guidelines.

Overview of the TOC Operator training process is as follows:

- **Core Foundational Knowledge.** Teaches employees the basics of tolling and traffic management, express lane geography, devices, transactions, trip building, and daily operational processes.
- **Core Skills Training.** Through guided coaching on the daily operational processes, employees are trained on TOC systems, daily logs, checklists, notification emails, and Teams communications.

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- **Core Skills Abilities.** Achieved when operators independently demonstrate the ability to apply core knowledge and consistently execute core daily operational processes correctly. This overall process is progressively applied to the following training measures:
  - **Asset Management.** Detecting, troubleshooting, issue tickets, device issue log, and notification/response measures.
  - **Traffic Incident Management**. Non-Lane blocking, lane blocking, major incidents, communication, and escalation measures.
  - **Express Lane Closures**. Management of incident-related closures and planned maintenance closures

In addition to project specific training measures, where applicable, industry training certifications are supported to round out incident management knowledge base. Examples include FEMA's Incident Command System (ICS) training modules and National Highway Institute training in Traffic Incident Management (TIM).

Management will evaluate each employee's competencies, performance, and interests to determine appropriate cross-training opportunities. Training and operational progress will be tracked and shared with RCTC and OCTA through the transition process.

3.10.3 Customer Service Center (I-15 and SR-91)

Kapsch will implement a "Universal Agent" operating model within core departments of the CSC, such as the Walk-In Center, Fulfillment, Mail Processing, Payment Processing, Case Processing, and Image Review, etc. This model is particularly effective in environments that encompass a broad range of responsibilities, it enables a highly adaptable workforce and aligns staffing resources seamlessly with operational needs. Under this model, employees will initially be trained as CSRs, skilled in processing inbound calls as their primary dedicated support establishing a uniform foundation of customer service proficiency across the team. Individuals identified for placement in CSC core departments outside of inbound phone support will be assigned during training.

This approach provides flexibility to deploy cross-trained staff to support call volumes during peak periods and provide support as needed to other CSC core departments while maintaining balanced workloads and ensuring KPI requirements are met. A key strength of our operational model is that all essential roles are trained and maintained as CSRs for inbound phone support regardless of cross training or specialized roles. This structure creates a more resilient, scalable workforce that can rapidly adapt to changing daily workload conditions.

The staffing forecast has been developed to support the projected workload volumes while optimizing cost, efficiency, and service quality. The proposed operating model consolidates resources into a single, integrated "first call resolution" customer service organization serving both the SR-91 and I-15 Express Lanes. This unified structure reduces overall labor requirements by eliminating duplicate functions, streamlining call handling and case management, and enabling first-contact resolution across both roadways. By operating as one integrated team, customers receive faster, more consistent service, while staffing levels are optimized across shared workloads.

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In addition, the model significantly reduces processing time for interoperability disputes by removing the need for hand-offs between separate roadways. Agents will have real-time access to the BOS system, allowing disputes to be resolved in a single interaction through all channels, WIC, phone, mail, and web. This integrated approach improves cycle times for case processing, enhances customer experience, and delivers measurable labor and cost efficiencies for the program.

Table 6. 91 & 15 CSC Staff

CSC Operations Support Team Staffing Table	
Qty	Role
1	Project Manager
1	CSC Operations Manager
4	Operations Supervisors
1	Reconciliation Lead
1	Finance Clerk II
3	Finance Clerks I
5	Correspondence Specialists
3	Quality Control Auditors
5	Team Leads
2.5	WIC CSR
2	ODS Reviewers
1.5	Fulfillment
1.5	Mail Processors
33.5	CSRs
1	Desktop Support
2	Infrastructure Support
1	15 & 91 Senior Finance Manager II (BRiC)
1	91 Finance Manager I (BRiC)
1	Training Manager
1	Data Analyst
1	Quality Assurance Manager

Upon completion of core CSR training, individuals who demonstrate strong reliability, aptitude, and an interest in professional growth will be eligible for cross-training in additional operational departments, including:

- Fulfillment
- Payment Processing
- Mail Processing
- Case Management Support
- Walk-In Center Operations
- TOC

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Management will evaluate each employee's competencies, performance, and interests to determine appropriate cross-training opportunities. Assignments will rotate periodically to promote broad skill development, keeping skills sharp and strengthening the Universal Agent concept over time.

Certain positions by virtue of their specialized or leadership functions will not follow the Universal Agent model. These include:

- Training Manager
- Finance Manager
- Finance Specialist
- Supervisors
- Leads

Kapsch will closely monitor employee performance for a minimum of 120 days post transition to ensure adherence to organizational expectations. If performance gaps are identified, we will implement a structured 90-day Performance Improvement Plan (PIP) supported by coaching and refresher training.

3.10.4 Training Logistics

All training will be conducted at the Corona, CA CSC beginning approximately 2 weeks prior to go-live. Kapsch will fully equip the facility with all workstations, systems, and resources required for a stable training environment. All applications and relevant data will be pre-loaded to replicate the production environment as closely as possible, reinforcing applied learning. The trainer will encompass the curriculum with Learning Management System (LMS), Power Point presentations, job aids, and all necessary instructional equipment. New hire training will incorporate a minimum of 88 instructional hours. Kapsch is committed to supporting trainees throughout this period by ensuring workloads are balanced to maintain a healthy work–life balance.

Understanding that both BOSs will be live at time of training and understanding that both CSCs need to remain operational training will be done in smaller groups to reduce impact to service. SR-91 training classes will consist of approximately 15 employees for the 1st training session for a period of 6 days. The second class will consist of 21 employees training for 5 days with the exception of on the job (side-by-side) for specialized roles.

To reinforce learning, retention workshops will be conducted as needed for additional support.

The attached project schedule provides details on training classes and duration. Onboarding will be conducted on 5/24/27. The existing CSC staff will start training on May 3rd, 2027.

Ongoing and Supplemental Training

- **Refresher and Continuous Improvement Training.** Delivered based on QA performance and evolving operational needs.
- **Cross-Training Opportunities.** Initiated by management as employees demonstrate readiness and operational demand requires broader skill coverage.

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CSC management will review daily/weekly/monthly performance of all Key Performance Indicators (KPIs) and Quality, providing a weekly report with feedback and recommendations on staffing, performance, and quality results. If additional staff are needed and Kapsch sees the need to recruit from the outside, we will provide HR support from corporate resources, to fill these roles. The project will receive recruiting support from the Kapsch corporate Director of Recruiting.

As part of Kapsch's standard recruitment policy, background checks are conducted on all new hire employees.

Assessment, Tracking, and Readiness Assurance

To ensure employees are fully prepared and confident in their roles on day one, the training program will incorporate:

- **Knowledge Quizzes.** Administered throughout the curriculum to reinforce key concepts and assess comprehension in real time.
- **Formal Testing.** Conducted at the conclusion of the training period to validate competency of system functions, business rules, and operational procedures.
- **Performance Tracking.** Training results, including quiz scores, test results, and participation metrics will be systematically tracked to identify strengths and areas requiring additional support.
- **Attendance Monitoring.** Comprehensive attendance records will be maintained to ensure all staff complete the required training prior to Go-Live.

These evaluative measures allow Kapsch to provide timely interventions and supplemental coaching where needed, ensuring that every employee transitions into production fully equipped, confident, and capable.

Assumptions

- RCTC Isilon Storage will not be upgraded to support additional documents/files from SR-91 as the current storage is sufficient.
- Agencies responsible for providing the SR-91 ATMS system.
- We plan to repurpose the existing computers in the 91 CSC Suite 301 and in the ADC TOC. These systems will be formatted and installed with Kapsch systems.
- We will use existing POS terminals in the OCTA Store
- The agencies will replace chairs at the Corona 91 facility.
- The agencies will be responsible for retention bonuses for Via Plus employees.
- Implementation plan assumes the general cooperation of Via Plus management and employees on matters related to transition, knowledge sharing, IT Infrastructure handover and expediting transition of team members and assets.

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Summary

Kapsch is excited to continue and expand our role as a trusted partner with both the RCTC and OCTA teams. We are pleased to provide both Agencies with our expertise and experience to ensure a successful combination of the SR-91 and I-15 Back Office Operations to enhance efficiency and reduce overall costs.

Integrating the SR91 EL roadway into the existing I-15 BOS provides the Agencies with a modern, fully supported back office strengthened by dedicated development, finance, and quality teams—delivering faster response times and continuous innovation as technology evolves throughout the contract term. In addition, consolidating CSR operations creates a single, consistent customer voice, improving the overall road-user experience and satisfaction. Leveraging one contractor and a scalable operational model also drives greater efficiency, provides a single point of contact for the Agencies, and supports reliable, optimized revenue collection for both Agencies.

Kapsch is committed to a smooth and respectful transition for the majority of employees currently supporting the SR-91 Express Lanes. We greatly value the expertise and dedication demonstrated. We are enthusiastic about welcoming the best members of the existing SR-91 Express Lanes team into our organization and are committed to providing a positive, transparent, and supportive onboarding experience throughout this transition.

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APPENDIX 1 DRAFT PROJECT SCHEDULE

Separate Attachment

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APPENDIX 2 FLOOR PLAN

Separate Attachment

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Exhibit 25

Attachment 5

Pricing Sheets

[attached behind this page]

Form J-1: Attachment 5

TCS Management						
#	**Item**	**Description**	**Unit**	**Qty**	**Unit Price**	**Total**
1	Project Management	Including: all project management activities (e.g. meetings, schedule development, schedule updates, invoices, progress reports, workshops) required to perform the D&D Work, and all travel expenses.	Lump Sum	0	$ -	$ -
2	Project Documentation	Including: all Deliverables required prior to Revenue Service Commencement	Lump Sum	0	$ -	$ -
3	Design Development	Including: all items required for the design and development of the TCS, includes cloud conversion costs of Host and CBOS	Lump Sum	0	$ -	$ -
4	Software Licenses	Including: all required Software licenses, and maintenance of Software Source Code Escrow required in accordance with the Contract	Lump Sum	0	$ -	$ -
5	Develop Transition Plan	Including: all development and approval of a Transition Plan	Lump Sum	0	$ -	$ -
6	Installation	Installation of all TMS, ETC, CSC, MOMS, and ROC related work	Lump Sum	0	$ -	$ -
7	Integration	Integration of all TMS, ETC, CSC, MOMS, and ROC related work	Lump Sum	0	$ -	$ -
8	Testing	Testing of all TMS, ETC, CSC, MOMS, and ROC related work	Lump Sum	0	$ -	$ -
9	Documentation	Documentation of all TMS, ETC, CSC, MOMS, and ROC related work	Lump Sum	0	$ -	$ -
10					**Subtotal TCS Management Cost**	**$ -**
TMS						
#	**Item**	**Description**	**Unit**	**Qty**	**Unit Price**	**Total**
11	CCTV	Including: all Equipment and communications for each CCTV required for a fully functional CCTV system	Each Camera	0	$ -	$ -
12	TOC Equipment	Including: all Equipment and communications for a fully functional TOC	Lump Sum	0	$ -	$ -
13	CMS	Including: all Equipment and communications for a fully functional CMS system	Each CMS	0	$ -	$ -
14	Traffic Detectors	Including: all Equipment and communications of each traffic detector required for a fully functional traffic detection system	Each	0	$ -	$ -
15					**Subtotal TMS Cost**	**$ -**
ETC System						

Form J-1: Attachment 5

#	Item	Description	Unit	Qty	Unit Price	Total
16	ETC Host	Cloud hosting costs included in O&M.	Lump Sum	0	$ -	$ -
17	Lane Controller Subsystem	Including: all Equipment for control of a read point not included in other subsystems below (e.g. communications)	Each Toll Location (lane(s) & shoulder)	0	$ -	$ -
18	Automatic Vehicle Detection and Classification (AVDC)	Including: All Equipment (e.g. sensors, mounting hardware to detect when a vehicle has entered a read point and to classify the vehicle via volumetric characteristics).	Each Toll Location (lane(s) & shoulder)	0	$ -	$ -
19	Automatic Vehicle Identification (AVI)	Including: All Equipment to read Transponders (antennas, readers, mounting equipment) and associated communications.	Each Toll Location (lane(s) & shoulder)	0	$ -	$ -
20	Violation Enforcement System (VES)	Including: all Equipment to capture license plate images (e.g. cameras, flash units, mounting hardware) and associated communications of all Equipment.	Each Toll Location (lane(s) & shoulder)	0	$ -	$ -
21	VTMS	Including: all Equipment to provide pricing signs (e.g. LED panels, Sign Controllers, mounting equipment, etc.) and associated communications of all Equipment.	Each VTMS Sign	0	$ -	$ -
22	DVAS	Including: all Equipment and communications for a fully functional DVAS system	Lump Sum	0	$ -	$ -
23	Maintenance of Traffic for Installation	Including: all costs for maintenance of traffic to install, integrate, and test Equipment	Lump Sum	0	$ -	$ -
24	Power		Each Toll Location	0	$ -	$ -
25					**Subtotal ETC System Cost**	**$ -**

CSC						
#	Item	Description	Unit	Qty	Unit Price	Total
26	CSC Host	Kapsch and Subcomtractors BOS Implementation Costs	Lump Sum	1	$ 5,089,980.90	$ 5,089,980.90
27	CSC Equipment	BOS Equipment (servers, storage, etc.) & Network Equipment	Lump Sum - Actual Cost	1	$ 3,683,088.01	$ 3,683,088.01
28	Phone System, Phones & other Office Equipment	Facilities Equip Upgrades (ROC/OCTA Store)	Lump Sum	1	$ 189,375.00	$ 189,375.00
29	IVR	IVR System / Servers	Lump Sum	1	$ 35,000.00	$ 35,000.00

Form J-1: Attachment 5

30	Hiring and Training	Including: all training and training documentation for CSC and RCTC staff, and hiring CSC staff, for CSC Commencement	Lump Sum	1	$ 513,965.93	$ 513,965.93
31	Express Lanes Website	Including: all Equipment and Software interface to CSC and, deployment of a fully functional and interactive customer website	Lump Sum	0		$ -
32					**Subtotal CSC System Cost**	**$ 9,511,409.84**

MOMS						
#	**Item**	**Description**	**Unit**	**Qty**	**Unit Price**	**Total**
33	MOMS System	Included as part of ETC Host cloud costs.	Lump Sum	0	$ -	$ -
34	Spare Parts	Including: all Spare Parts required for TCS System	Lump Sum	0	$ -	$ -
35					**Subtotal MOMS Cost**	**$ -**

ROC Facility						
#	**Item**	**Description**	**Unit**	**Qty**	**Unit Price**	**Total**
36	Walk-In Center	No major upgrade costed, ongoing costs assumed in O&M	Lump Sum	0		$ -
37	Call Center	Facilities Buildout Allowance (ADC/ROC/OCTA Store)	Lump Sum	1	$ 250,000.00	$ 250,000.00
38	Traffic Operations Center	Includes costs associated with upgrade of the Video Wall and NVR's at the ROC Facility.	Lump Sum	0	$ -	$ -
39	ADC Network Upgrade	Includes costs associated with upgrade of the networking at ADC.	Lump Sum	0	$ -	$ -
40					**Subtotal ROC Facility Cost**	**$ 250,000.00**

Total D&D		
10 (Form J-1)	Subtotal TCS Management Cost	$ -
15 (Form J-1)	Subtotal TMS Cost	$ -
25 (Form J-1)	Subtotal ETC System Cost	$ -
32 (Form J-1)	Subtotal CSC System Cost	$ 9,511,409.84
35 (Form J-1)	Subtotal MOMS Cost	$ -
40 (Form J-1)	Subtotal ROC Facility Cost	$ 250,000.00
41	**Total D&D Cost**	**$ 9,761,409.84**

ATTACHMENT 5
Restated 15 & 91 Operations and Maintenance CSC/Roadside Annually

Description of items	Year 6 O&M	Year 7 O&M	Year 8 O&M	Year 9 O&M	Year 10 O&M	Year 11 O&M	Year 12 O&M	Year 13 O&M	Year 14 O&M	Year 15 O&M	Year 16 O&M	Year 17 O&M	Year 18 O&M	Year 19 O&M	Year 20 O&M
15 CSC Operations	$4,877,543	$5,023,869	$5,174,585	$5,329,823	$5,503,340	$5,723,473	$5,952,412	$6,190,509	$6,438,129	$6,695,654	$6,963,480	$7,242,020	$7,531,700	$7,832,968	$6,049,223
91 CSC Operations		$6,416,530	$6,609,022	$6,807,298	$7,011,526	$7,221,862	$7,438,510	$7,661,674	$7,891,522	$8,128,270	$8,372,109	$8,623,281	$8,881,977	$9,148,437	$9,422,889
Combined CSC Operations	**$4,877,543**	**$11,440,399**	**$11,783,607**	**$12,137,121**	**$12,514,866**	**$12,945,335**	**$13,390,922**	**$13,852,183**	**$14,329,651**	**$14,823,924**	**$15,335,589**	**$15,865,301**	**$16,413,677**	**$16,981,405**	**$15,472,112**

Description of items	Year 6 O&M	Year 7 O&M	Year 8 O&M	Year 9 O&M	Year 10 O&M	Year 11 O&M	Year 12 O&M	Year 13 O&M	Year 14 O&M	Year 15 O&M	Year 16 O&M	Year 17 O&M	Year 18 O&M	Year 19 O&M	Year 20 O&M
15 Violations (based on estimated volumes)	$456,300	$473,089	$472,589	$496,218	$646,080	$1,050,934	$1,092,971	$1,136,690	$1,182,158	$1,229,444	$1,278,622	$1,329,767	$1,382,957	$1,438,276	$1,110,748
91 Violations (based on estimated volumes)	$0	$720,004	$760,359	$802,293	$845,863	$891,123	$938,131	$986,946	$1,046,207	$1,107,521	$1,171,248	$1,237,468	$1,315,733	$1,397,138	$1,481,791
Combined Violations	**$456,300**	**$1,193,093**	**$1,232,948**	**$1,298,511**	**$1,491,943**	**$1,942,057**	**$2,031,102**	**$2,123,636**	**$2,228,365**	**$2,336,965**	**$2,449,870**	**$2,567,235**	**$2,698,690**	**$2,835,414**	**$2,592,539**

Description of items	Year 6 O&M	Year 7 O&M	Year 8 O&M	Year 9 O&M	Year 10 O&M	Year 11 O&M	Year 12 O&M	Year 13 O&M	Year 14 O&M	Year 15 O&M	Year 16 O&M	Year 17 O&M	Year 18 O&M	Year 19 O&M	Year 20 O&M
15 Active Transponder Accounts	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
91 Active Transponder Accounts	$0	$1,354,409	$1,461,167	$1,574,271	$1,693,986	$1,820,587	$1,954,361	$2,095,605	$2,244,626	$2,412,543	$2,588,738	$2,773,546	$2,967,314	$3,181,399	$3,358,608
Combined Active Transponder Accounts	**$0**	**$1,354,409**	**$1,461,167**	**$1,574,271**	**$1,693,986**	**$1,820,587**	**$1,954,361**	**$2,095,605**	**$2,244,626**	**$2,412,543**	**$2,588,738**	**$2,773,546**	**$2,967,314**	**$3,181,399**	**$3,358,608**

Description of items	Year 6 O&M	Year 7 O&M	Year 8 O&M	Year 9 O&M	Year 10 O&M	Year 11 O&M	Year 12 O&M	Year 13 O&M	Year 14 O&M	Year 15 O&M	Year 16 O&M	Year 17 O&M	Year 18 O&M	Year 19 O&M	Year 20 O&M
15 TOC Operations	**$441,191**	**$454,427**	**$468,060**	**$482,102**	**$496,565**	**$516,427**	**$537,084**	**$558,568**	**$580,910**	**$604,147**	**$628,313**	**$653,445**	**$679,583**	**$706,766**	**$735,037**
91 TOC Operations	**$0**	**$711,000**	**$732,336**	**$754,296**	**$776,928**	**$800,232**	**$824,244**	**$848,976**	**$874,440**	**$900,672**	**$927,696**	**$955,524**	**$984,192**	**$1,013,712**	**$1,044,130**
RCTC Only Roadside O&M (91 & 15)[1]	**$4,195,408**	**$4,307,904**	**$4,423,746**	**$4,543,045**	**$4,665,900**	**$4,266,542**	**$4,437,204**	**$4,614,692**	**$4,799,280**	**$4,991,251**	**$5,190,901**	**$5,398,537**	**$5,614,478**	**$5,839,058**	**$6,072,620**

[1]Includes Amendments No.3, Change orders 7B, 23, 28, 33, & 36

Exhibit 25

Attachment 6

Implementation Cost Payment Milestones

[attached behind this page]

Attachment 6: Implementation Cost Payment Milestones

Implementation costs of $6,078,322 will be paid in milestones according to the following chart:

Payment Milestone	Percentage	Amount	Criteria
1	30%	$ 1,823,497	Upon Notice to Proceed
2	20%	$ 1,215,664	3 Sprints Complete
3	20%	$ 1,215,664	Data Migration Load Testing Complete & Documents and Images Migrated
4	20%	$ 1,215,664	Go Live
5	10%	$ 607,833	Post Go Live Puch List Complete
		$ 6,078,322	

The BOS & Network Hardware costs will be paid upon verification of installation and configuration by the Agencies. The BOS & Network Hardware costs will be paid at actual costs to Kapsch. The Agencies are aware that the BOS & Network Hardware costs of $3,683,088 are an estimate and that the Agencies will pay the actual costs. The TSP will provide at least two quotes for Agencies approval prior to purchase. Actual cost above the $3,683,088 will require a change order.

Exhibit 25

Attachment 7

Liquidated Damages

[attached behind this page]

Attachment 7: Liquidated Damages

Implementation Liquidated Damages

In the event that TSP has not completed the 15 and 91 EL BOS transition work before 425 calendar days after issuance of Amendment 5 NTP, liquidated damages shall apply. TSP shall pay RCTC and OCTA a combined total of $5,000 per Calendar Day, commencing the following calendar day after the 425-calendar day period as liquidated damages for delay. The BOS transition delay liquidated damages shall be capped at 20% of the total implementation cost for the 15 and 91 BOS transition work in Amendment 5.

CSC KPI Liquidated Damages

The thirty (30) calendar days prior to Go Live and the first sixty (60) calendar days following Go-Live shall constitute a Stabilization Period. This period allows for system calibration, workforce training, volume normalization, customer behavior adjustment, and operational refinement.

During the Stabilization Period liquidated damages for KPI 18A & 18B, KPI 19, KPI 20, KPI 21, KPI 22, KPI 23, KPI 24, KPI 28, KPI 29, and KPI 30 shall be waived.

- Performance will be measured and reported for transparency purposes.
- Contractor shall use commercially reasonable efforts to meet or exceed all KPIs.

The following operational integrity KPIs shall remain fully enforceable during the Stabilization Period:

- KPI 25 – Image Quality (98%)
- KPI 26 – Image Review Backlog (Turnaround < 3 days)
- KPI 27 – Image Review Reject Rate (95%)

These performance standards are not volume-dependent of the CSC and therefore shall remain unchanged.

Exhibit 25

Attachment 8

Post Go Live Staffing Evaluation

[attached behind this page]

Attachment 8: Post Go Live Staffing Evaluation

If, after sixty (60) calendar days and through the first year following Go-Live, the Contractor is unable to consistently achieve the KPI thresholds, the Parties shall conduct a formal performance and volume assessment.

For purposes of Attachment 8, *“consistently achieve”* shall mean meeting or exceeding weekly avg KPI thresholds over a rolling 60-day period.

If the assessment determines that continued ramp-up conditions, such as material variances between forecasted and actual volumes, system constraints, or other operational factors outside the Contractor’s reasonable control are materially impacting KPI performance, the Parties may mutually agree in writing to extend the evaluation period for an additional term not to exceed thirty (30) calendar days to allow for operational adjustments and staffing alignment.

During the approved extension period:

1. **Performance Measurement:** KPI performance shall continue to be monitored and reported pursuant to the established reporting schedule.
2. **Corrective Actions:** The Contractor shall implement commercially reasonable corrective actions to address identified deficiencies.
3. **Liquidated Damages:** Application of liquidated damages shall be suspended or proportionately reduced, as mutually agreed in writing and
4. **Collaboration:** The Parties shall collaborate in good faith to implement operational, staffing, or process adjustments reasonably necessary to achieve full KPI compliance.

If, following completion of the assessment and any extension period, the Parties jointly determine that additional staffing is required to achieve or maintain KPI compliance, the Agencies shall issue a change order authorizing up to five (5) additional Customer Service Representative (“CSR”) staff. The cost for each such CSR shall not exceed $10,233.00 per month. The base monthly fixed fee includes 33.5 CSRs.

If, at the end of any month, the total number of CSRs employed by the Contractor falls below the sum of (a) the 33.5 baseline staffing level and (b) any approved additional CSRs, the change order amount for that month shall be reduced proportionally to reflect the number of additional CSRs not employed.

For example: if three additional CSRs are approved (baseline 33.5 + 3) but only 34.5 CSRs are employed in a given month, the change order would be reduced by two (2) CSRs.

Any approved additional staffing shall remain in place for the remainder of the contract term unless otherwise mutually agreed in writing.

Exhibit 25

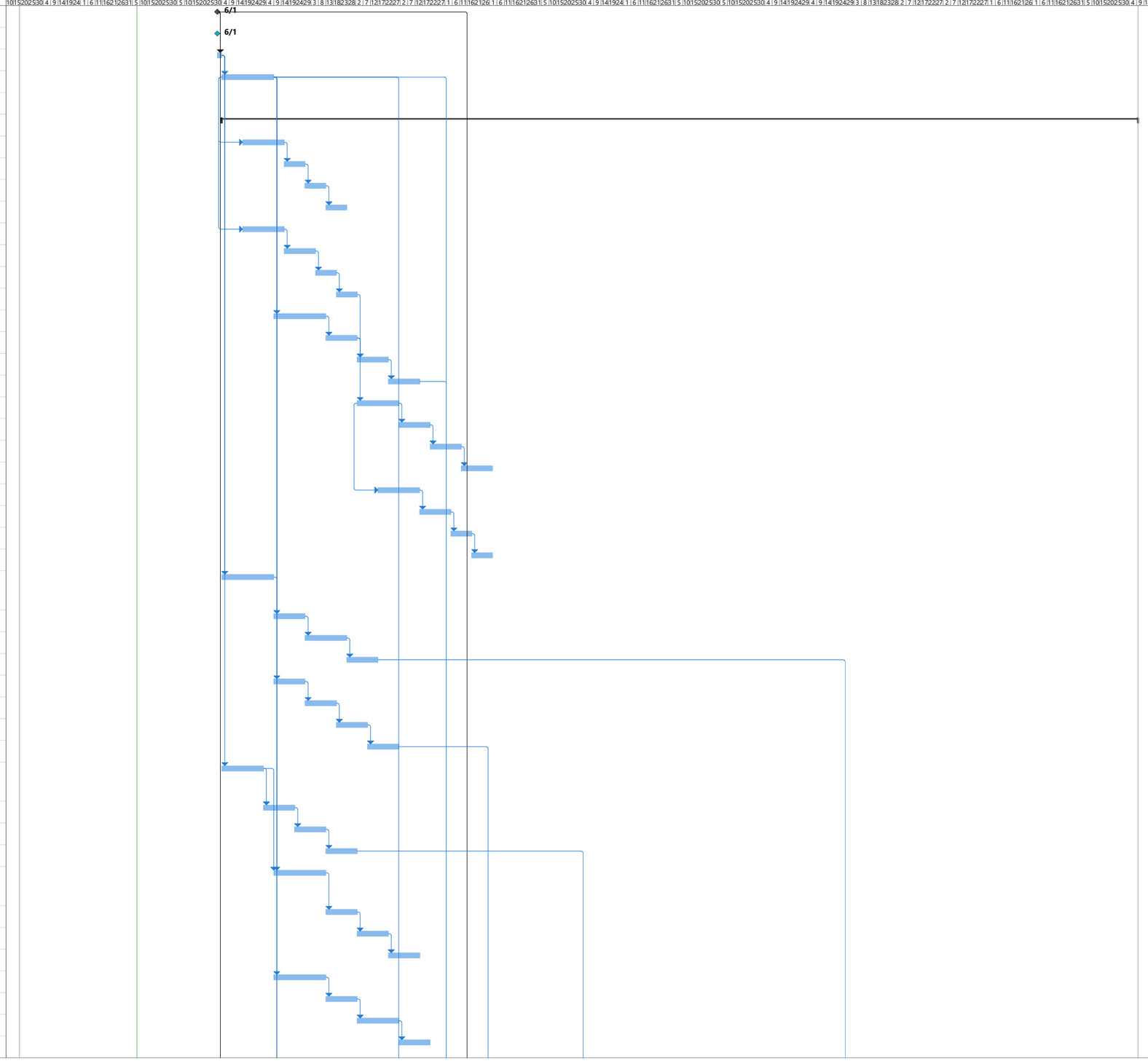
Attachment 9

Schedule

[attached behind this page]

91/15 BOS Expansion Project Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Notes
1		Notice To Proceed	0 days	Mon 6/1/26	Mon 6/1/26		
2		Payment Milestone 1 (Notice to Proceed)	0 days	Mon 6/1/26	Mon 6/1/26		
3		Project Kick off & Planning Working Session	3 days	Mon 6/1/26	Wed 6/3/26	1	
4		System & BOS Requirements & Mapping Completed	25 days	Thu 6/4/26	Wed 7/8/26	3	
5							
6		**Documentation**	**442 days**	**Thu 6/4/26**	**Wed 2/9/28**		
7		**Quality Management Plan Development & Submittal**	20 days	Thu 6/18/26	Wed 7/15/26	4SS+10 days	
8		Agency Review & Comment	10 days	Thu 7/16/26	Wed 7/29/26	7	
9		Update & Submit Revised FDD Addendum	10 days	Thu 7/30/26	Wed 8/12/26	8	
10		Agency Review & Approval	10 days	Thu 8/13/26	Wed 8/26/26	9	
11		**Business Rules Addendum Development & Submittal**	20 days	Thu 6/18/26	Wed 7/15/26	4SS+10 days	
12		Agency Review & Comment	15 days	Thu 7/16/26	Wed 8/5/26	11	
13		Update & Submit Revised FDD Addendum	10 days	Thu 8/6/26	Wed 8/19/26	12	
14		Agency Review & Approval	10 days	Thu 8/20/26	Wed 9/2/26	13	
15		**FDD Addendum Development & Submittal w/ BOM**	25 days	Thu 7/9/26	Wed 8/12/26	4	
16		Agency Review & Comment	15 days	Thu 8/13/26	Wed 9/2/26	15	
17		Update & Submit Revised FDD Addendum	15 days	Thu 9/3/26	Wed 9/23/26	16,14	
18		Agency Review & Approval	15 days	Thu 9/24/26	Wed 10/14/26	17	
19		**Business Continuity Plan Update & Submittal**	20 days	Thu 9/3/26	Wed 9/30/26	16	
20		Agency Review & Comment	15 days	Thu 10/1/26	Wed 10/21/26	19	
21		Update & Submit Revised Business Continuity Plan	15 days	Thu 10/22/26	Wed 11/11/26	20	
22		Agency Review & Approval	15 days	Thu 11/12/26	Wed 12/2/26	21	
23		**Office Safety Plan Update & Submittal**	20 days	Thu 9/17/26	Wed 10/14/26	19SS+10 days	
24		Agency Review & Comment	15 days	Thu 10/15/26	Wed 11/4/26	23	
25		Update & Submit Revised Business Continuity Plan	10 days	Thu 11/5/26	Wed 11/18/26	24	
26		Agency Review & Approval	10 days	Thu 11/19/26	Wed 12/2/26	25	
27		**Network & Hardware Upgrade Transition Plan Development & Submittal**	25 days	Thu 6/4/26	Wed 7/8/26	3	
28		Agency Review & Comment	15 days	Thu 7/9/26	Wed 7/29/26	27	
29		Update & Submit Revised Transition Plan	20 days	Thu 7/30/26	Wed 8/26/26	28	
30		Agency Review & Approval	15 days	Thu 8/27/26	Wed 9/16/26	29	
31		**User Manual Plan Development & Submittal**	15 days	Thu 7/9/26	Wed 7/29/26	4	
32		Agency Review & Comment	15 days	Thu 7/30/26	Wed 8/19/26	31	
33		Update & Submit Revised User Manual Plan	15 days	Thu 8/20/26	Wed 9/9/26	32	
34		Agency Review & Approval	15 days	Thu 9/10/26	Wed 9/30/26	33	
35		**SR91 OCTA & RCTC BOS Data Migration Plan Development & Submittal**	20 days	Thu 6/4/26	Wed 7/1/26	3	
36		Agency Review & Comment	15 days	Thu 7/2/26	Wed 7/22/26	35	
37		Update & Submit Revised Data Migration Plan	15 days	Thu 7/23/26	Wed 8/12/26	36	
38		Agency Review & Approval	15 days	Thu 8/13/26	Wed 9/2/26	37	
39		**SR91 OCTA & RCTC BOS Data Security Plan Development & Submittal**	25 days	Thu 7/9/26	Wed 8/12/26	4,35	
40		Agency Review & Comment	15 days	Thu 8/13/26	Wed 9/2/26	39	
41		Update & Submit Revised Data Security Plan	15 days	Thu 9/3/26	Wed 9/23/26	40	
42		Agency Review & Approval	15 days	Thu 9/24/26	Wed 10/14/26	41	
43		**KPI RAMP Update & Submittal**	25 days	Thu 7/9/26	Wed 8/12/26	4	
44		Agency Review & Comment	15 days	Thu 8/13/26	Wed 9/2/26	43	
45		Update and Submit Revised KPI RAMP	20 days	Thu 9/3/26	Wed 9/30/26	44	
46		Agency Review & Approval	15 days	Thu 10/1/26	Wed 10/21/26	45	

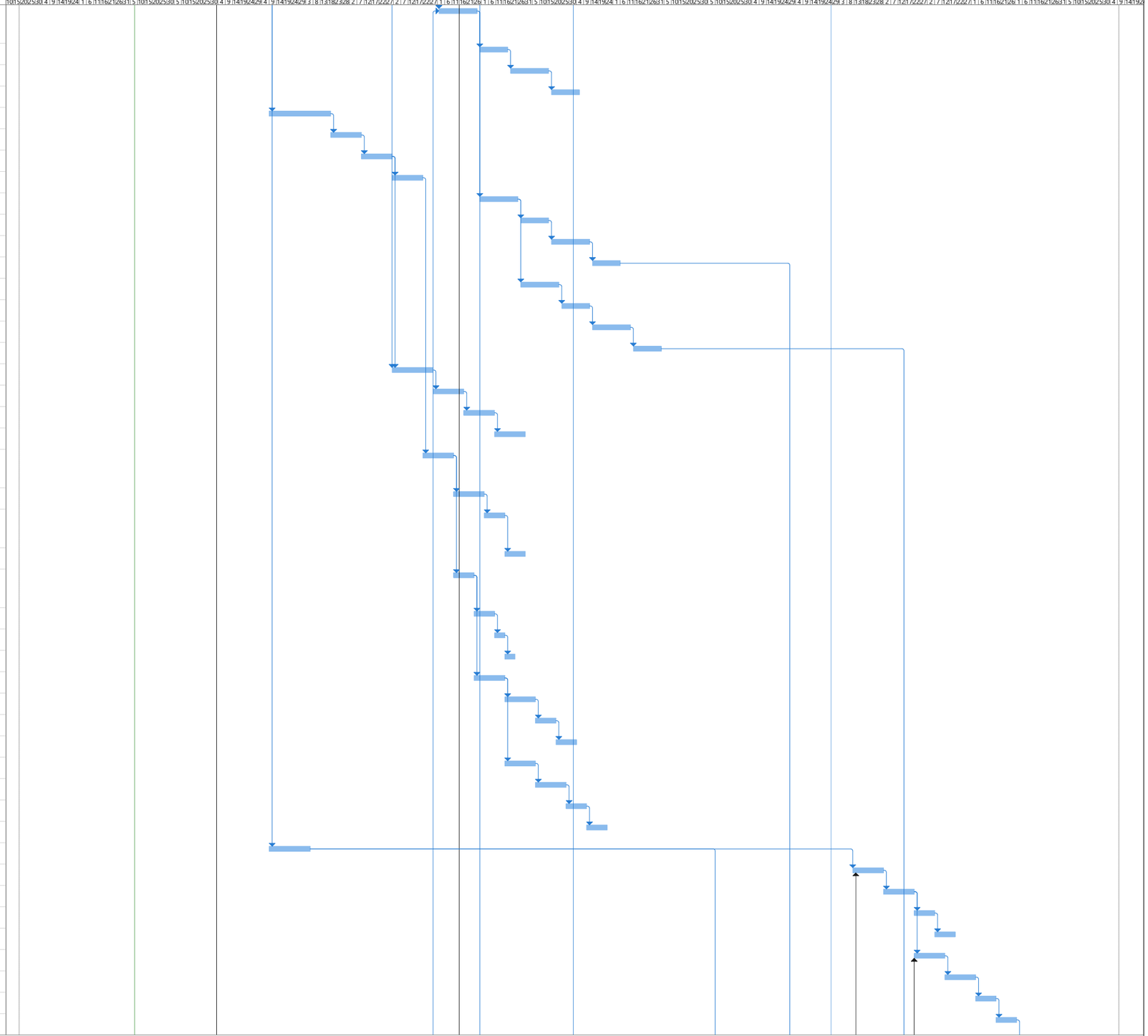


Project: RCTC- OCTA BOS Expa
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Task · Milestone · Project Summary · Inactive Milestone · Manual Task · Manual Summary Rollup · Start-only · External Tasks · Deadline · Manual Progress
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91/15 BOS Expansion Project Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Notes
47		**Financial, Auditing and Traffic Reports Development and Submittal**	**20 days**	**Mon 11/2/26**	**Fri 11/27/26**	**4,18,147FS-80 days**	
48		Agency Review & Comment	15 days	Mon 11/30/26	Fri 12/18/26	47	
49		Update and Submit Revised Reports Procedures	20 days	Mon 12/21/26	Fri 1/15/27	48	
50		Agency Review & Approval	15 days	Mon 1/18/27	Fri 2/5/27	49	
51		**Operations Plan Update & Submittal**	30 days	Thu 7/9/26	Wed 8/19/26	4	
52		Agency Review & Comment	15 days	Thu 8/20/26	Wed 9/9/26	51	
53		Update and Submit Revised Operations Plan	15 days	Thu 9/10/26	Wed 9/30/26	52	
54		Agency Review & Approval	15 days	Thu 10/1/26	Wed 10/21/26	53	
55		**TCSOT Procedure Development and Submittal**	20 days	Mon 11/30/26	Fri 12/25/26	47	
56		Agency Review & Comment	15 days	Mon 12/28/26	Fri 1/15/27	55	
57		Update and Submit Revised TCSOT Procedures	20 days	Mon 1/18/27	Fri 2/12/27	56	
58		Agency Review & Approval	15 days	Mon 2/15/27	Fri 3/5/27	57	
59		**TCSAT Procedure Development and Submittal**	20 days	Mon 12/28/26	Fri 1/22/27	55	
60		Agency Review & Comment	15 days	Mon 1/25/27	Fri 2/12/27	59	
61		Update and Submit Revised TCSAT Procedures	20 days	Mon 2/15/27	Fri 3/12/27	60	
62		Agency Review & Approval	15 days	Mon 3/15/27	Fri 4/2/27	61	
63		**Training Plan Update and Submittal**	20 days	Thu 10/1/26	Wed 10/28/26	4,53	
64		Agency Review & Comment	15 days	Thu 10/29/26	Wed 11/18/26	63	
65		Update & Submit Revised Training Plan	15 days	Thu 11/19/26	Wed 12/9/26	64	
66		Agency Review & Approval	15 days	Thu 12/10/26	Wed 12/30/26	65	
67		**Customer Communication Document Update and Submittal**	15 days	Thu 10/22/26	Wed 11/11/26	54	
68		Agency Review & Comment	15 days	Thu 11/12/26	Wed 12/2/26	67	
69		Update & Submit Revised Customer Communication Document	10 days	Thu 12/3/26	Wed 12/16/26	68	
70		Agency Review & Approval	10 days	Thu 12/17/26	Wed 12/30/26	69	
71		**BOS Notification template Document Update and Submittal**	10 days	Thu 11/12/26	Wed 11/25/26	67	
72		Agency Review & Comment	10 days	Thu 11/26/26	Wed 12/9/26	71	
73		Update & Submit Revised BOS Notification Document	5 days	Thu 12/10/26	Wed 12/16/26	72	
74		Agency Review & Approval	5 days	Thu 12/17/26	Wed 12/23/26	73	
75		**Quality Documentation Update and Submittal**	15 days	Thu 11/26/26	Wed 12/16/26	71	
76		Agency Review & Comment	15 days	Thu 12/17/26	Wed 1/6/27	75	
77		Update & Submit Revised BOS Notification Document	10 days	Thu 1/7/27	Wed 1/20/27	76	
78		Agency Review & Approval	10 days	Thu 1/21/27	Wed 2/3/27	77	
79		**Mitigation Matrix Update and Submittal**	15 days	Thu 12/17/26	Wed 1/6/27	75	
80		Agency Review & Comment	15 days	Thu 1/7/27	Wed 1/27/27	79	
81		Update & Submit Revised Mitigation Matrix	10 days	Thu 1/28/27	Wed 2/10/27	80	
82		Agency Review & Approval	10 days	Thu 2/11/27	Wed 2/24/27	81	
83		**SOP (CSC & Finance) & Template Updates**	20 days	Thu 7/9/26	Wed 8/5/26	4	
84		**Maintenance Plan (Vol 2) Update and Submittal**	15 days	Thu 8/12/27	Wed 9/1/27	83,190	
85		Agency Review & Comment	15 days	Thu 9/2/27	Wed 9/22/27	84	
86		Update & Submit Revised Maintenance Plan	10 days	Thu 9/23/27	Wed 10/6/27	85	
87		Agency Review & Approval	10 days	Thu 10/7/27	Wed 10/20/27	86	
88		**List of Toll Services Update and Submittal**	15 days	Thu 9/23/27	Wed 10/13/27	190,85	
89		Agency Review & Comment	15 days	Thu 10/14/27	Wed 11/3/27	88	
90		Update & Submit Revised Toll Services Plan	10 days	Thu 11/4/27	Wed 11/17/27	89	
91		Agency Review & Approval	10 days	Thu 11/18/27	Wed 12/1/27	90	

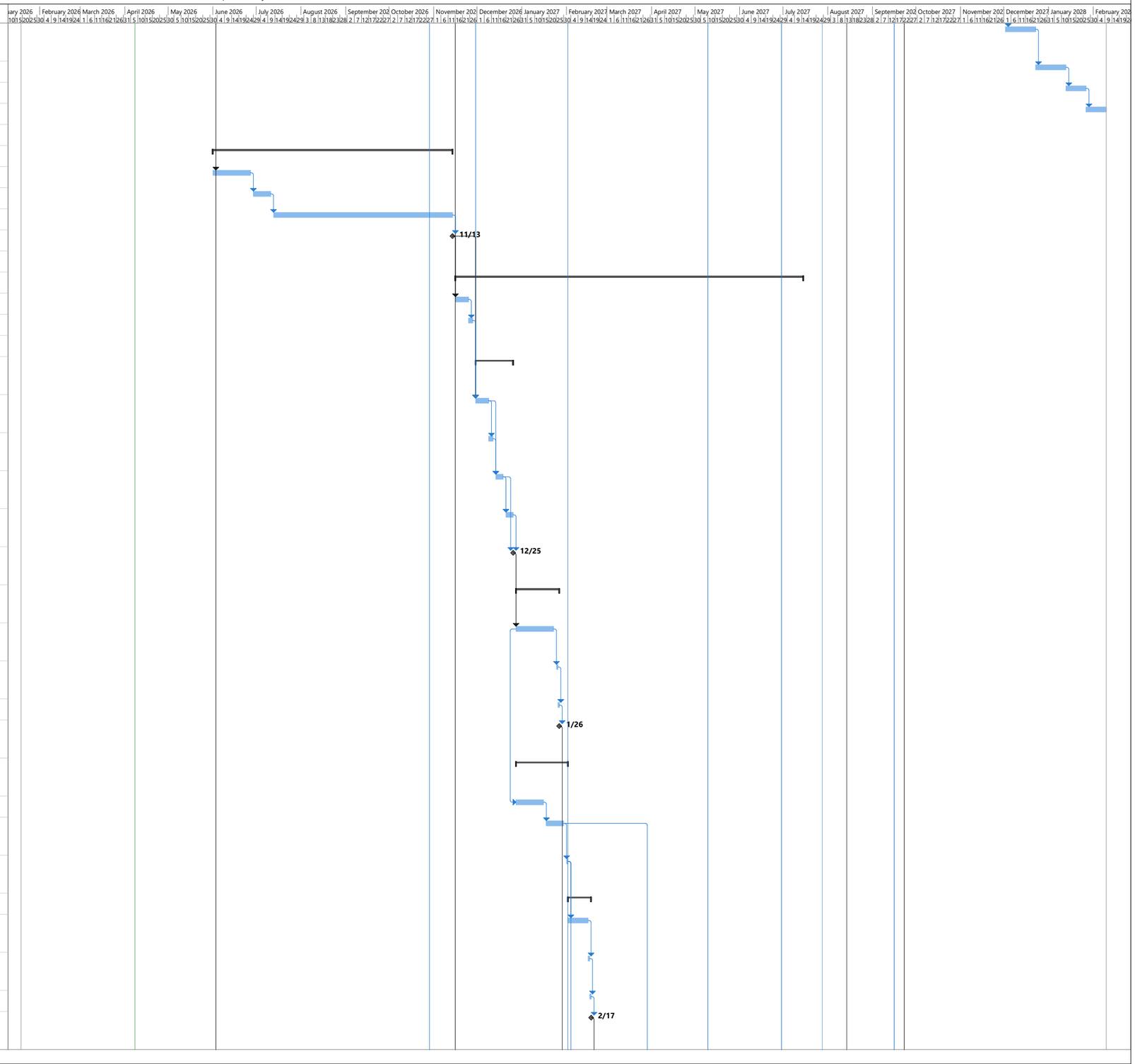


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91/15 BOS Expansion Project Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Notes
92		**Annual Renewal Testing Report Update and Submittal**	15 days	Thu 12/2/27	Wed 12/22/27	91	
93		Agency Review & Comment	15 days	Thu 12/23/27	Wed 1/12/28	92	
94		Update & Submit Revised ART Report	10 days	Thu 1/13/28	Wed 1/26/28	93	
95		Agency Review & Approval	10 days	Thu 1/27/28	Wed 2/9/28	94	
96							
97		**Network, Server & PC Hardware Procurement**	**120 days**	**Mon 6/1/26**	**Fri 11/13/26**		
98		Finalize Bill of Materials	20 days	Mon 6/1/26	Fri 6/26/26	1	
99		Place PO's for Equipment	10 days	Mon 6/29/26	Fri 7/10/26	98	
100		Equipment Lead Time & Delivery	90 days	Mon 7/13/26	Fri 11/13/26	99	Increased to 90 days as a precaution.
101		Procurement Complete	0 days	Fri 11/13/26	Fri 11/13/26	100	
102							
103		**Network, Server & PC Hardware Upgrade**	**175 days**	**Mon 11/16/26**	**Wed 7/14/27**		
104		Stage & Configure Network Hardware	7 days	Mon 11/16/26	Tue 11/24/26	101	
105		Ship Network Hardware to Sites	3 days	Wed 11/25/26	Fri 11/27/26	104	
106							
107		**DR Server Room Network & Server Hardware Upgrade**	**20 days**	**Mon 11/30/26**	**Fri 12/25/26**		
108		Install & Commission Network & Server Hardware at the DR Server Room	7 days	Mon 11/30/26	Tue 12/8/26	101,105,34	
109		Decommision existing equipment & re-install to new DR location	3 days	Wed 12/9/26	Fri 12/11/26	108	
110		Cutover Network Hardware to Production at the DR Server Room	5 days	Mon 12/14/26	Fri 12/18/26	108,109	
111		Test Network & Server Hardware to Production at the DR Server Room	5 days	Mon 12/21/26	Fri 12/25/26	110	
112		DR Server Room Network & Server Upgrade Complete	0 days	Fri 12/25/26	Fri 12/25/26	110,111	
113		**ROC Server Room Network & Server Hardware Upgrade**	**22 days**	**Mon 12/28/26**	**Tue 1/26/27**		
114		Install & Test Network & Server Hardware at the ROC Server Room	20 days	Mon 12/28/26	Fri 1/22/27	112	
115		Cutover Network Hardware to Production at the ROC Server Room	1 day	Mon 1/25/27	Mon 1/25/27	114	
116		Decommission Legacy Network Hardware	1 day	Tue 1/26/27	Tue 1/26/27	115	
117		ROC Server Room Network & Server Upgrade Complete	0 days	Tue 1/26/27	Tue 1/26/27	116	
118		**ADC Network Connectivity Testing with ROC & DR Location Facilities - For 91**	**26 days**	**Mon 12/28/26**	**Mon 2/1/27**		
119		Install & Configure OCTA Isilon Storage	15 days	Mon 12/28/26	Fri 1/15/27	114SS	
120		Configure & Test ADC Network Connectivity with ROC & DR Facilities	10 days	Mon 1/18/27	Fri 1/29/27	119	
121		Cutover final ADC Network configurations for Connectivity with ROC & DR Facilities	1 day	Mon 2/1/27	Mon 2/1/27	120	
122		**ROC New CSR Facility Network Upgrade**	**12 days**	**Tue 2/2/27**	**Wed 2/17/27**		
123		Install & Test Network Hardware at the ROC New CSR Facility	10 days	Tue 2/2/27	Mon 2/15/27	121	
124		Cutover Network Hardware to Production at the ROC ROC New CSR Facility	1 day	Tue 2/16/27	Tue 2/16/27	123	
125		Decommission Legacy Network Hardware	1 day	Wed 2/17/27	Wed 2/17/27	124	
126		ROC New CSR Facility Network Upgrade Complete	0 days	Wed 2/17/27	Wed 2/17/27	125	

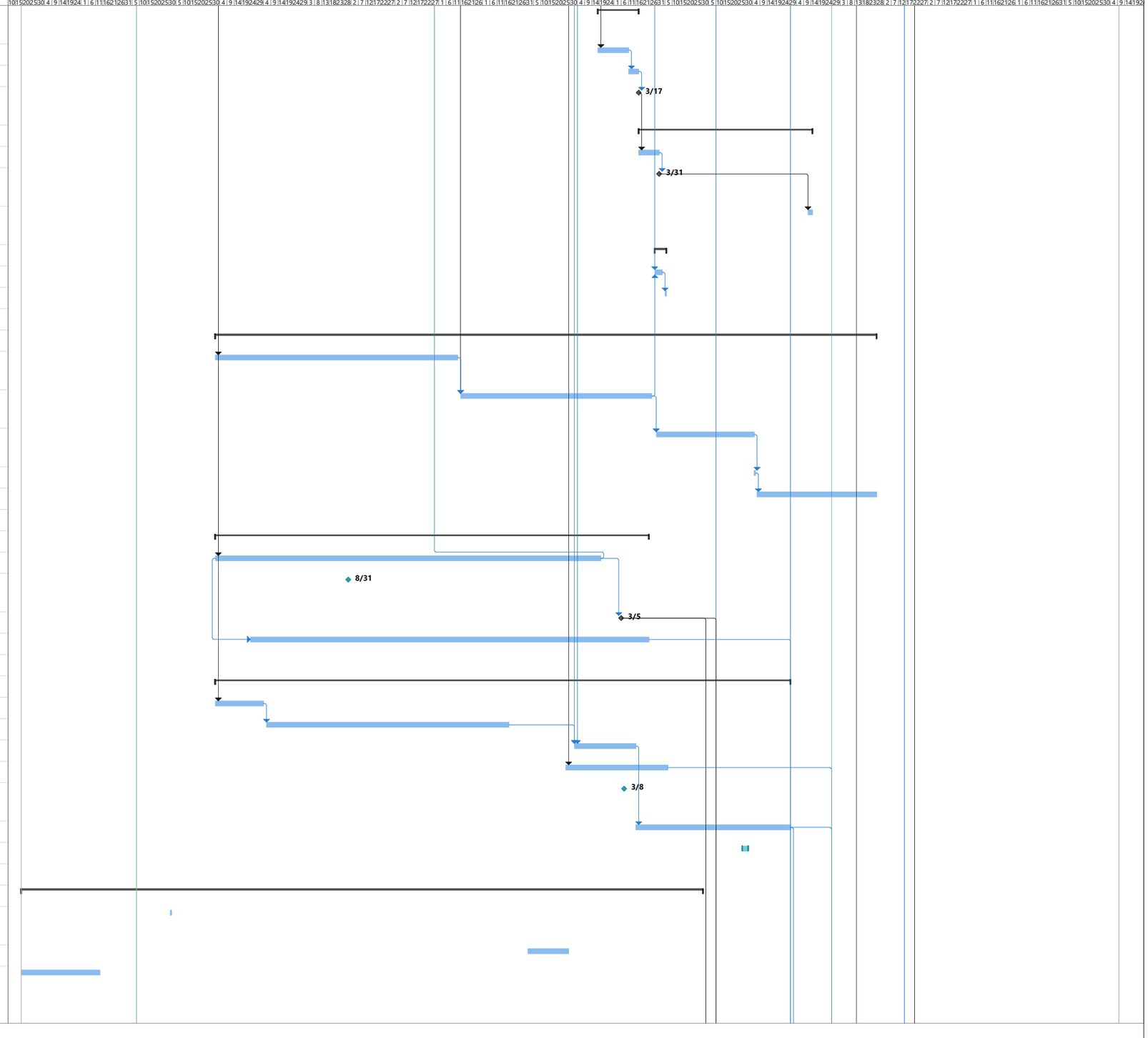


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91/15 BOS Expansion Project Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Notes
127		**ROC New CSR Facility Computers, Workstations & Ops Hardware Upgrade**	**20 days**	**Thu 2/18/27**	**Wed 3/17/27**		
128		Install & Test Hardware at the ROC New CSR Facility	15 days	Thu 2/18/27	Wed 3/10/27	126	
129		Decommission Legacy Hardware	5 days	Thu 3/11/27	Wed 3/17/27	128	
130		ROC New CSR Facility PC & Ops Hardware Upgrade Complete	0 days	Wed 3/17/27	Wed 3/17/27	129	
131		**OCTA Store Computers & Workstation Upgrade**	**87 days**	**Thu 3/18/27**	**Wed 7/14/27**		
132		Install & Test Hardware at the OCTA Store Facility	10 days	Thu 3/18/27	Wed 3/31/27	130	
133		OCTA Store Facility PC & Hardware Upgrade Complete	0 days	Wed 3/31/27	Wed 3/31/27	132	
134		Decommission Legacy Network Hardware	3 days	Mon 7/12/27	Wed 7/14/27	133	Switch, Firewall, and Telecom Circuit...
135		**ADC TOC cutover for SR-91 EL**	**6 days**	**Mon 3/29/27**	**Mon 4/5/27**		
136		Verify TOC connectivity & workstations	5 days	Mon 3/29/27	Fri 4/2/27	120,141	
137		Final Cutover	1 day	Mon 4/5/27	Mon 4/5/27	136	
138							
139		**Facilities Transition Plan**	**327 days**	**Mon 6/1/26**	**Fri 8/27/27**		
140		Phase 1 – ADC TOC, ROC 91 CSC and OCTA Store: Discovery and Due Diligence	120 days	Mon 6/1/26	Fri 11/13/26	1	
141		Phase 2 – ADC TOC, ROC and OCTA store: Facilities and Infrastructure Upgrade	95 days	Mon 11/16/26	Fri 3/26/27	1,140	
142		Phase 3 – Systems and Operational Validation for ADC TOC, ROC and OCTA Store	50 days	Tue 3/30/27	Fri 6/4/27	141FS+1 day	
143		Phase 4 – Controlled Service Takeover at Go-Live	1 day	Sat 6/5/27	Sat 6/5/27	142	
144		Phase 5 – Stabilization Period Post Go-Live	60 days	Mon 6/7/27	Fri 8/27/27	143	
145							
146		**BOS VTX Software Development**	**213 days**	**Mon 6/1/26**	**Wed 3/24/27**		
147		VTX Software modifications	190 days	Mon 6/1/26	Fri 2/19/27	1	
148		Payment Milestone 4 (3rd Monthly Software Dev Sprint Completed)	0 days	Mon 8/31/26	Mon 8/31/26		
149		Training Environment Ready	0 days	Fri 3/5/27	Fri 3/5/27	147FS+10 days	
150		Monthly Software Deployment Release	195 days	Thu 6/25/26	Wed 3/24/27	147SS+18 days	
151							
152		**Data Migration**	**284 days**	**Mon 6/1/26**	**Tue 6/29/27**		
153		Phase 1 DM Preparation	25 days	Mon 6/1/26	Fri 7/3/26	1	
154		Phase 2 DM Modification	120 days	Mon 7/6/26	Fri 12/18/26	153	
155		Phase 3 DM Loading & Testing	30 days	Tue 2/2/27	Mon 3/15/27	154,38,121	
156		91 Images & Documents Migrated	50 days	Wed 1/27/27	Tue 4/6/27	117	
157		Payment Milestone 3 (Data Migration Load Testing Complete & Documents and Images Migrated)	0 days	Mon 3/8/27	Mon 3/8/27		
158		Incremental loading	78 days	Tue 3/16/27	Tue 6/29/27	155	Increased days through 6/1
159		Cut-Over Starting	3 days	Fri 5/28/27	Mon 5/31/27		System cutover
160							
161		**Workforce Migration Tasks**	**335 days**	**Mon 1/19/26**	**Fri 4/30/27**		
162		Kapsch Letter to Via Plus Employees	1 day	Fri 5/1/26	Fri 5/1/26		(Dependent on Board Approval start date)
163		Interviewing & Job Offers	20 days	Fri 1/1/27	Thu 1/28/27		
164		Background Checks	40 days	Mon 1/19/26	Fri 3/13/26		Overlapping effort while selection continues, as selections are made the background check process will begin.

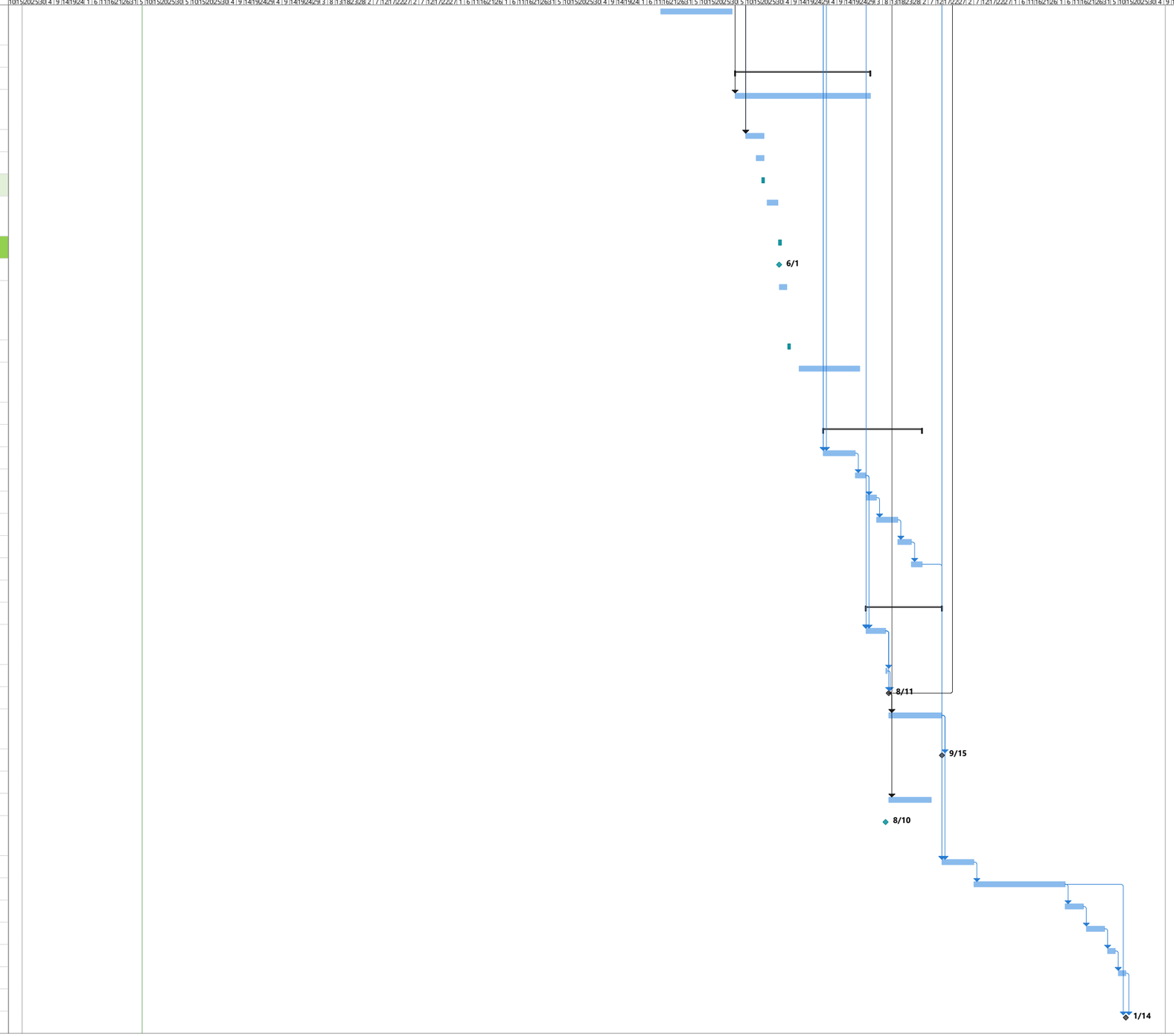


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91/15 BOS Expansion Project Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Notes
165		Additional Staff Hiring	35 days	Mon 3/15/27	Fri 4/30/27		(If we are short staffed) External Hiring proceeds
166							
167		**Training**	**67 days**	**Mon 5/3/27**	**Fri 7/30/27**		
168		**Staff Readiness & Training**	67 days	Mon 5/3/27	Fri 7/30/27	149	Request reduction of KPI enforcement during transistion effort
169		15 Existing CSR Training Batch 1	10 days	Mon 5/10/27	Fri 5/21/27	149,83	27 Kapsch Staff
170		Training Material Updates	5 days	Mon 5/17/27	Fri 5/21/27		
171		Go/No Go Decision	1 day	Fri 5/21/27	Fri 5/21/27		
172		91 Existing CSR Training Batch 1	6 days	Mon 5/24/27	Sun 5/30/27		Training 15 CSRs from 91 for 7 days from 5/24 to 5/30, Monday 31st off.
173		6/1 Go-Live	1 day	Tue 6/1/27	Tue 6/1/27		Go-Live 15/91 combined 40 CSRs
174		Payment Milestone 4 (Go-Live)	0 days	Tue 6/1/27	Tue 6/1/27		
175		91 Existing CSR Training Batch 2	5 days	Tue 6/1/27	Sat 6/5/27		Training 34 CSRs from 91 for 5 days from 6/1 to 6/5; Shadowing with existing staff for back-office tasks....
176		6/7 Go-Live All Staff	1 day	Mon 6/7/27	Mon 6/7/27		Go-Live All Staff
177		Refresher Training / Cross Training during Operations	30 days	Mon 6/14/27	Fri 7/23/27		Work with transistioned staff to address gaps and errors over 30 day period.
178							
179		**TCSOT Test & Report**	**47 days**	**Wed 6/30/27**	**Thu 9/2/27**		
180		TCSOT Dry Runs & Formal Preparations	15 days	Wed 6/30/27	Tue 7/20/27	58,150,158	
181		TCSOT Formal Testing	5 days	Wed 7/21/27	Tue 7/27/27	180	
182		Develop & Submit TCSOT Test Report	5 days	Wed 7/28/27	Tue 8/3/27	181	
183		Agency Review & Comment	10 days	Wed 8/4/27	Tue 8/17/27	182	
184		Update & Submit Revised TCSOT Test Report	7 days	Wed 8/18/27	Thu 8/26/27	183	
185		Agency Review & Approval	5 days	Fri 8/27/27	Thu 9/2/27	184	
186							
187		**BOS Cutover**	**36 days**	**Tue 7/27/27**	**Wed 9/15/27**		
188		Final migration of Data & pointing of Legacy Hosts to new VTX Instances	13 edays	Tue 7/27/27	Mon 8/9/27	158,156,181,30	
189		Buffer for Go-Live - Go/No-Go decision	1 eday	Mon 8/9/27	Tue 8/10/27	188	
190		**Go-Live of Combined OCTA/RCTC BOS**	**0 days**	**Wed 8/11/27**	**Wed 8/11/27**	**188FS+2 days,189**	
191		1 Month Observation of OCTA/RCTC New BOS Performance (Ops KPI's reduced)	25 days	Thu 8/12/27	Wed 9/15/27	190	
192		**Restoration of OCTA/RCTC Operational KPI's**	0 days	Wed 9/15/27	Wed 9/15/27	191	
193							
194		**BOS Punchlist Item Closeout**	20 days	Thu 8/12/27	Wed 9/8/27	190	
195		Payment Milestone 5 (Post Go-Live Puch List Complete)	0 days	Tue 8/10/27	Tue 8/10/27		
196		TCSAT Dry Runs & Formal Preparations	15 days	Thu 9/16/27	Wed 10/6/27	62,185,191	
197		TCSAT Formal Testing	60 edays	Wed 10/6/27	Sun 12/5/27	196	
198		Develop & Submit TCSAT Test Report	10 days	Mon 12/6/27	Fri 12/17/27	197	
199		Agency Review & Comment	10 days	Mon 12/20/27	Fri 12/31/27	198	
200		Update & Submit Revised TCSAT Test Report	5 days	Mon 1/3/28	Fri 1/7/28	199	
201		Agency Review & Approval	5 days	Mon 1/10/28	Fri 1/14/28	200	
202							
203		**Project Complete**	0 days	Fri 1/14/28	Fri 1/14/28	197,201	



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Switch, Firewall, and Telecom Circuit
Decomission after go-live legacy network.
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Increased days through 6/1
159 **Cut-Over Starting**
System cutover
162 **Kapsch Letter to Via Plus Employees**
(Dependent on Board Approval start date)
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Overlapping effort while selection continues, as selections are made the background check process will begin.
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(If we are short staffed) External Hiring proceeds
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27 Kapsch Staff
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Training 15 CSRs from 91 for 7 days from 5/24 to 5/30, Monday 31st off.
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Training 34 CSRs from 91 for 5 days from 6/1 to 6/5; Shadowing with existing staff for back-office tasks.

176 **6/7 Go-Live All Staff**
Go-Live All Staff
177 **Refresher Training / Cross Training during Operations**
Work with transistioned staff to address gaps and errors over 30 day period.

EXHIBIT 26

TOTAL REMAINING CONTRACT AUTHORITY

91 CONSOLIDATION IMPLEMENTATION PHASE PAYMENTS		
TYPE OF PAYMENT	AUTHORITY AMOUNT ($)	COMMISSION AMOUNT ($)
Fixed Price	$4,880,705	$4,880,705

REFRESH		
TYPE OF PAYMENT	AUTHORITY AMOUNT ($)	COMMISSION AMOUNT ($)
Fixed Price		$31,084,186

OPERATIONS AND MAINTENANCE PHASE PAYMENTS		
TYPE OF PAYMENT	AUTHORITY AMOUNT ($)	COMMISSION AMOUNT* ($)
Fixed	$60,891,642	$226,037,270
Variable Costs Based on Unit Prices	$30,595,331	$39,650,789
MAXIMUM OBLIGATION	**$96,367,678**	**$301,652,950**

*Includes 15 Express Lanes Roadside, RCTC 91 Express Lanes Roadside, 15 and 91 Express Lanes BOS.

AMENDED AND RESTATED
COOPERATIVE AGREEMENT
EXPRESS LANES OPERATIONS
BETWEEN RIVERSIDE COUNTY TRANSPORTATION COMMISSION AND
ORANGE COUNTY TRANSPORTATION AUTHORITY

DRAFT

Agreement No. 12-31-039-01

AMENDED AND RESTATED COOPERATIVE AGREEMENT FOR EXPRESS LANES OPERATIONS BETWEEN RIVERSIDE COUNTY TRANSPORTATION COMMISSION AND ORANGE COUNTY TRANSPORTATION AUTHORITY

This Amended and Restated Cooperative Agreement for State Route 91 Express Lanes Operations("Cooperative Agreement") is made and entered into this ___ day of _____, 2026 ("Entered Into Date") by and between the Riverside County Transportation Commission ("RCTC") and the Orange County Transportation Authority ("OCTA"). RCTC and OCTA are sometimes referred to herein individually as "Party", and collectively as the "Parties".

Recitals

WHEREAS, OCTA operates and maintains the existing SR-91 Express Lanes in Orange County under a franchise agreement with the State of California.

WHEREAS, RCTC extended the RCTC 91 Express Lanes on the State Route 91 between the Riverside/Orange County line and the Interstate 15 interchange, including transition areas anticipated to commence as far north as Hidden Valley Parkway on Interstate 15, as far south as Cajalco Road on Interstate 15, as far east as Pierce Street on State Route 91, and as far west as Gypsum Canyon on State Route 91.

WHEREAS, prior to RCTC's construction of the RCTC 91 Express Lanes the Parties entered into Cooperative Agreement for State Route 91 Express Lanes and Corridor Improvements, dated December 16, 2011 ("Original Agreement"), in order to achieve economies of scale and cost benefits for both Parties through joint contracting and joint provision of certain services related to maintenance and operation of the 91 Express Lanes.

WHEREAS, continued coordination between the Parties during operation of the RCTC 91 Express Lanes is crucial to provide for seamless operation of the 91 Express Lanes in both Riverside and Orange Counties.

WHEREAS, it is the intent of the Parties in entering into this Cooperative Agreement to continue opportunities for cooperation and coordination and to set forth various responsibilities of the Parties, all as further set forth herein. It is the further intent of the Parties that all provisions contained in this Cooperative Agreement and all actions taken hereunder shall be consistent with Sections 130240, 130244, and 130245 of the California Public Utilities Code and all other applicable laws.

WHEREAS, RCTC commenced operation of the 91 Express Lanes in Riverside County in March of 2017, and the Parties have been successfully operating the 91 Express Lanes through joint contracts for operations and other services, or for individually held contracts subject to cost sharing.

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WHEREAS, RCTC constructed the 15 Express Lanes in Riverside County, and opened the lanes for public use in April, 2021. The 15 Express Lanes are operated by RCTC's toll services provided, Kapsch TrafficCom Transportation NA, Inc. ("Kapsch").

WHEREAS, the Parties now desire to consolidate the 91 Express Lanes with the RCTC 15 Express Lanes back office and customer service operation in order to achieve additional economies of scale;

WHEREAS, it is the intent of the Parties that, as of the Effective Date, this Cooperative Agreement supersede and replace, in its entirety, the Original Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually understood and agreed by RCTC and OCTA as follows.

ARTICLE 1

DEFINITIONS

For the purposes of this Cooperative Agreement, the following terms shall have the meanings hereinafter provided:

1.1 **Anaheim Facility**. The term "Anaheim Facility" shall mean and refer to the toll operations center in Anaheim.

1.2 **CEO**. The term "CEO" shall mean and refer to the Chief Executive Officer of OCTA, or his or her designee.

1.3 **Consolidated Back Office**. The term "Consolidated Back Office" shall mean and refer to the consolidation of the 91 Express Lanes with the RCTC 15 Express Lanes back office and customer service operation under RCTC's existing contract with Kapsch.

1.4 **Corona Regional Operations Center**. The term "Corona ROC" shall mean and refer to the customer service center in Corona located at 291 and 301 Corporate Terrace Circle.

1.5 **Cost and Revenue and Allocation**. The term "Cost and Revenue Allocation" shall mean the cost and revenue sharing between OCTA and RCTC related to the Express Lanes, as further detailed in Exhibit "A".

1.6 **Customer**. The term "Customer" shall mean and refer to paying, or otherwise authorized, users of any portion of the 91 Express Lanes, which user has both a Transponder and an account with OCTA, RCTC or with any Other Toll Entities.

1.7 **Customer Accounts**. The term "Customer Accounts" shall mean and refer to accounts of Customers held by OCTA.

1.8 **Customer Account Business Rules/Operating Rules**. The term "Customer Account Business Rules/Operating Rules" shall mean and refer to the following: charges and/or deposits for initial issuance and replacement of Transponders; enrollment and/or membership fees;

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minimum monthly Customer Account maintenance fees; other administrative fees related to Customer Accounts; toll violation policies; collection policies; other similar rules related to Customer Accounts and use and issuance of Transponders; rules related to use of the Express Lanes by Customers, including rules requiring all Customers to have Transponders or Customer Accounts; and other similar rules related to use of the Express Lanes by Customers.

1.9 **Designated Executive Representative**. The term "Designated Executive Representative" shall mean and refer to the OCTA employee designated by the CEO and to the RCTC employee designated by the Executive Director to make decisions on behalf of the Parties pursuant to this Cooperative Agreement.

1.10 **Effective Date**. The term "Effective Date" shall mean and refer to the "go-live" date of the Consolidated Back Office. .

1.11 **Emergency**. The term "Emergency" shall mean and refer to an unforeseen circumstance that poses an imminent risk or danger of serious injury, damage or harm to persons or property.

1.12 **Executive Director**. The term "Executive Director" shall mean and refer to the Executive Director of RCTC, or his or her designee.

1.13 **Existing 91 Operator Agreement**. The term "Existing 91 Operator Agreement" shall mean and refer to that certain OCTA Agreement No. C-9-117; RCTC Agreement No. 19-31-059-00, as subsequently amended, amongst Cofiroute, OCTA and RCTC for the 91 Express Lanes operations.

1.14 **Express Lanes**. The term "Express Lanes" shall mean and refer, jointly, to the OCTA 91 Express Lanes, RCTC 91 Express Lanes, and RCTC 15 Express Lanes, and any other express lanes of either Party that is included as part of the Consolidated Back Office under the Operations Agreement.

1.15 **91 Express Lanes**. The term "91 Express Lanes" shall mean and refer, jointly, to the OCTA 91 Express Lanes and the RCTC 91 Express Lanes.

1.16 **OCTA 91 Express Lanes**. The term "OCTA 91 Express Lanes" shall mean and refer to the existing four-lane, 10-mile high occupancy toll facility constructed in the median of the State Route 91 freeway, between the Orange/Riverside County line and the State Route 55 freeway.

1.17 **Operator**. The term "Operator" shall mean the company under contract for customer service and back office system operation of the Express Lanes and the Express Lanes traffic operations center.

1.18 **Operations Agreement**. The term "Operations Agreement" shall mean and refer to a three-party agreement that the Parties, concurrently with entering this Cooperative Agreement, will enter into with the Operator to jointly provide customer service operations for the Express Lanes and traffic operations services for the Express Lanes.

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1.19 **Other Toll Entities**. The term "Other Toll Entities" shall mean and refer to any other public agency or private entity operating a toll facility in California and with whom OCTA has entered into a cooperative user fee processing (CTOC) agreement.

1.20 **RCTC Express Lanes**. The Term "RCTC Express Lanes" shall mean and refer to the RCTC 15 Express Lanes and RCTC 91 Express Lanes.

1.21 **RCTC 15 Express Lanes**. The term "15 Express Lanes" shall mean and refer to the Interstate 15 Express Lanes constructed by RCTC in Riverside County, between Route 60 in Jurupa Valley/Eastvale and Cajalco Road in Corona, and shall include the Interstate 15 Express Lanes southern extension, between El Cerrito Road in Corona and State Route 74 (Central Avenue) in Lake Elsinore, once constructed and open for public use.

1.22 **RCTC 91 Express Lanes**. The term "RCTC 91 Express Lanes" shall mean and refer to the high occupancy toll facility that RCTC constructed by RCTC on the existing State Route 91 between the Orange/Riverside County line and as far east as the Interstate 15 interchange, including transition areas anticipated to commence as far north as Hidden Valley Parkway on the Interstate 15, as far south as Cajalco Road on Interstate 15 and as far east as Pierce Street on State Route 91.

1.23 **ROFA**. The term "ROFA" shall mean and refer to RCTC-OCTA Facility Agreement or similar separate agreement between the Parties that establishes cost sharing for the Toll Facilities, Additional Vendor Contracts and other services to be shared between the Parties.

1.24 **Revenue or Revenues**. The term "Revenue" or "Revenues" shall mean and refer to gross revenues.

1.25 **SR-91**. The term "SR-91" shall mean and refer to the State Route 91.

1.26 **SR-91 Advisory Committee**. The term "SR-91 Advisory Committee" shall mean and refer to the joint RCTC and OCTA committee, comprised of elected officials, established by Section 130245 of the California Public Utilities Code.

1.27 **Switchable Transponder**. The term "Switchable Transponder" shall mean and refer to a Transponder that allows Customers to declare when they are using the RCTC Express Lanes other than as a full toll paying vehicle, such as a reduced toll paying vehicle or as an exempt vehicle.

1.28 **Toll Pricing Policies**. The term "Toll Pricing Policies" shall mean and refer to policies adopted by each Party for setting toll prices and rates for Customers.

1.29 **Toll Related Facilities**. The term "Toll Related Facilities" shall mean and refer to the Anaheim Facility and the Corona ROC.

1.30 **Transponder**. The term "Transponder" shall mean the in-vehicle electronic toll paying device issued for use or usable for the Express Lanes, which allows for automatic transaction identification at electronic toll collection facilities.

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ARTICLE 2

RELATIONSHIP BETWEEN THE PARTIES.

2.1 Joint Operator. The Parties acknowledge and agree that various terms of this Cooperative Agreement are based on the assumption of a joint Operator. If, at any time during the term of this Cooperative Agreement, the Parties cease jointly contracting with a joint Operator, the Parties agree and acknowledge that the terms of this Cooperative Agreement shall be modified as necessary to reflect multiple operators of the Express Lanes.

2.2 Procurement of New Operator. In the event of a termination of the Operations Agreement for default or for any reason during the term of this Cooperative Agreement, the Parties agree to cooperate as equal parties in the procurement of a new operator and such new procurement shall take into account a scope of work that applies to both the OCTA 91Express Lanes and the RCTC 91 Express Lanes, and if agreed upon by the Parties, the RCTC 15 Express Lanes. OCTA and RCTC staff shall each have the joint right to participate in the development of, review and approve the new operator procurement documents, scope of work, technical provisions and form of operator contract, participate in and approve the recommendation for selection of the new operator to the governing boards and negotiate the terms and conditions of such new operations contract. Each Party shall bear its own costs in connection with such new procurement.

2.3 Approval or Agreement of the Parties. Except as otherwise expressly provided, or where the context indicates otherwise, where the approval or agreement of one or both of the Parties is required by a provision of this Cooperative Agreement, such approval or agreement may be given or made by each Party's Designated Executive Representative. Notwithstanding the foregoing, this Section is not intended to authorize the Parties' Designated Executive Representatives to make decisions or to enter into agreements for which approval of a Party's governing board or other person or body is otherwise required by law or pursuant to an adopted policy of a Party.

2.4 Reevaluation of Cost and Revenue and Allocation. The Parties agree to re-evaluate, in good faith, the Cost and Revenue and Allocation annually or as otherwise required. As of said reevaluation date(s), the Cost and Revenue and Allocation may be subject to change upon mutual agreement, with each Party acting in good faith. Any change to the Cost and Revenue and Allocation shall be made pursuant to a mutually agreed written amendment to Exhibit "A" of this Cooperative Agreement.

2.5 Communication and Cooperation.

2.5.1 The Parties agree that communication and cooperation between OCTA and RCTC is critical to the successful and seamless operation of the Express Lanes in both Riverside and Orange Counties.

2.5.2 Communication and cooperation is necessary during operation of the Express Lanes.

2.5.3 It is the intent of the Parties that communication and cooperation be accomplished through various forums, including as follows:

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(a) For the 91 Express Lanes, meetings of the SR-91 Advisory Committee.

(b) Meetings of or communications between the Designated Executive Representatives.

(c) Individual or small group meetings, which shall be called as necessary to address specific issues related to the Express Lanes. Other affected public agencies or parties shall be invited to attend such meetings as the Parties determined necessary or beneficial.

(d) Communications between operational staff of RCTC and OCTA on an ongoing and as-needed basis.

2.6 Toll Related Facilities.

2.6.1 General Provisions Regarding Toll Related Facilities

(a) The Parties acknowledge that OCTA is the lease holder for the Anaheim Facility and that OCTA shall use reasonable efforts to reduce the square footage with the lessor or relocate the operation to a new location upon the termination of the 2031 lease. The Parties agree that they will share the cost of the facility and agree to any improvements or betterments as shall be further set forth in the ROFA.

(b) The Parties acknowledge that RCTC is the owner of the Corona ROC. RCTC will amend its existing facility license agreement with the Operator to establish the Operator's rights and responsibilities related to use of the Corona ROC. The Parties agree that they will share the cost of the facility and agree to any improvements or betterments as shall be further set forth in the ROFA.

(c) It is the intent of the Parties that both Parties will jointly utilize and operate the Toll Related Facilities, and that the Parties will share in the operating and maintenance costs for the Toll Related Facilities as shall more particularly be set forth in the ROFA.

2.6.2 Anaheim Facility.

(a) It is intent of the Parties that OCTA shall remain the sole lease holder of the Anaheim Facility, and that RCTC shall have an irrevocable license and right to use thereof through the term of this Cooperative Agreement, and for any additional period as further set forth herein. It is not intended that RCTC become a lessee, co-lessee or sublessee of the Anaheim Facilities. Notwithstanding the foregoing, however, it is the intent of the Parties that RCTC shall have equal rights of access and use of the Anaheim Facility as does OCTA.

(b) OCTA shall not terminate its lease for the Anaheim Facility nor change any material provisions thereof, without RCTC's prior written approval, in its reasonable discretion.

(c) If the lease expires or is terminated or the location of the Anaheim Facility is changed as a result of the expiration or termination of OCTA's lease therefor or

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otherwise, the Parties shall mutually agree on the terms of any new lease and shall modify the provisions of this Cooperative Agreement to address, as applicable, the new or extended lease, the new location and relevant circumstances of the Toll Related Facilities.

(d) OCTA shall confer with RCTC no less than twelve (12) months prior to expiration of OCTA's lease for the Anaheim Facility regarding the terms and conditions for renegotiation of said lease and/or regarding any potential change in the ownership or location of the Anaheim Facility. Notwithstanding the foregoing sentence, if the Anaheim Facility will require relocation at the expiration of OCTA's lease for the Anaheim Facility, OCTA shall confer with RCTC as soon as OCTA determines the same, but in no event less than twelve (12) months prior to the expiration of said lease.

(e) Cost sharing for operating and maintenance costs for the existing Anaheim Facility, including building lease costs; utility expenses; property insurance costs; office equipment costs; back office system maintenance costs; telephone maintenance costs; and computer hardware, equipment repairs, equipment/servers maintenance and software licenses for equipment and programs utilized at the Anaheim Facility, shall be as further set forth in the ROFA.

2.6.3 Corona Regional Operations Center

(a) It is intent of the Parties that RCTC shall remain the sole owner of the Corona ROC, and that OCTA shall enter into a lease agreement with RCTC providing OCTA the right to use thereof through the term of this Cooperative Agreement, and for any additional period as further set forth herein. It is the intent of the Parties that OCTA shall have equal rights of access and use of the ROC as does RCTC, with OCTA's rights to be further detailed in the lease agreement.

(b) RCTC shall not sell or lease for the Corona ROC nor materially change any use of the Corona ROC without OCTA's prior written approval, in its reasonable discretion.

(c) The Parties shall share in RCTC's operating and maintenance costs for the Corona ROC as shall be further detailed in the lease and ROFA.

2.7 Objectives Regarding Operation of 91 Express Lanes and Consolidated Back Office.

2.7.1 RCTC is and shall continue to be responsible for operating and maintaining the RCTC 91 Express Lanes in Riverside County and the RCTC 15 Express Lanes. RCTC shall also continue to be solely responsible for its debt service obligations, ongoing routine and capital maintenance and for future capital improvement projects related to the RCTC 91 and RCTC 15 Express Lanes.

2.7.2 OCTA is and shall continue to be responsible for operating and maintaining the OCTA 91 Express Lanes in Orange County. OCTA shall also continue to be solely responsible for its debt service obligations, ongoing routine and capital maintenance and for future capital improvement projects related to the OCTA 91 Express Lanes.

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2.7.3 It is the intent and objective of the Parties to operate the 91 Express Lanes in both Orange County and Riverside County so that Customers will experience a seamless transition between the two facilities, and will view the 9I Express Lanes as a single facility. The Parties agree to cooperate in order to facilitate this goal.

2.7.4 It is the intent and objective of the Parties to achieve cost savings and other benefits by consolidating the 91 Express Lanes with the RCTC 15 Express Lanes under the Consolidated Back Office.

2.7.5 The Parties intend that each Party will pay its own share of the cost to operate the Express Lanes and the Toll Related Facilities, as more particularly described in this Cooperative Agreement.

2.7.6 Joint and Non-Joint Expenditures.

(a) In order to achieve economies of scale, the Parties agree to jointly share certain costs related to operation of the Express Lanes based on the Cost and Revenue and Allocation.

(b) Each Party shall be solely responsible for Non-Joint Expenditures related solely to operation or maintenance of its respective portion of the Express Lanes (e.g., where the other Party's portion of the Express Lanes are not benefited by such operations or maintenance). "Non-Joint Expenditures" may include, but are not limited to: auditing services, general counsel services, bond counsel services, trustee services, rating fees, financial advisory services, management consultant services, traffic and revenue consultant services, Caltrans maintenance expenses, California Highway Patrol enforcement contracts, engineering paving analysis services, 91 or 15 implementation plan costs, electronic traffic and toll management maintenance agreement costs, camera maintenance agreement costs, collection services, court costs, variable message sign maintenance, lane closures, service vehicle costs and tow trucks.

2.7.7 Mutual Aid in Case of 91 Express Lanes Related Emergency.

(a) The Parties agree to share resources in case of emergencies, and to provide mutual aid as needed. In the case of an emergency, the Operator, if the Parties have selected a joint operator, will utilize the resources of both Parties that are under its control to respond to a 91 Express Lanes related emergency.

(b) Except as may be otherwise set forth in the Operations Agreement, the Operator, if the Parties have selected a joint Operator, shall have the power and authority to utilize the tow trucks and other resources of both Parties to respond to an emergency on any portion of the 91 Express Lanes, however, if a second emergency or multiple emergencies occur, the Operator shall remove trucks as needed from the site of the first emergency to address the needs related to the subsequent emergencies.

2.7.8 Maintenance of 91 Express Lanes. The Parties agree that maintenance of the 91 Express Lanes in good condition and repair is of primary importance to both Parties, and to the successful and seamless operation of the 91 Express Lanes. Each Party shall take reasonable

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steps to ensure that its respective segment of the 91 Express Lanes will be in good condition and repair in accordance with its obligations under its respective separate agreement with Caltrans.

2.8 Customer Accounts.

2.8.1 The Parties agree that, as of the Effective Date, it is in the best interest of both Parties and of Customers to create and maintain Customer Accounts through a single entity.

2.8.2 Except as otherwise mutually agreed by the Parties, in their reasonable discretion, or as otherwise provided herein, OCTA shall be considered the "account holding agency" for purposes of creating and maintaining Customer Accounts. In connection with the opening of the RCTC 15 Express Lanes, RCTC elected to also become an "account holding agency" for purposes of creating and maintaining Customer Accounts.

2.8.3 The RCTC 15 Express Lanes customer accounts will be combined with the 91 Express Lanes accounts, and OCTA will be permanently considered the account holding agency.

2.8.4 The Parties shall cooperate on the transfer of Customers and Customer Accounts from RCTC to OCTA in order to provide a smooth transition for Customers.

2.8.5 The Operator shall manage transactions for new and existing Customer Accounts and Customers for the Express Lanes, including transactions with Other Toll Entities for toll charges incurred by Customers on any portion of the Express Lanes and for toll charges incurred by Customers on toll facilities of Other Toll Entities.

2.8.6 RCTC shall be solely responsible for handling any claims or lawsuits regarding toll violations and/or collection prosecutions arising from the RCTC 15 Express Lanes which are not part of the 91 Express Lanes, and nothing contained in this Cooperative Agreement shall create any liability on the part of OCTA for any such claims or lawsuits. RCTC shall solely bear all costs in connection with its efforts to handle such claims or lawsuits.

2.8.7 Subject to RCTC's compliance with OCTA's existing agreements with Customers and applicable laws related to Customer privacy and recordkeeping, OCTA agrees to provide RCTC equal and timely access through the Operator to the full database and all other information regarding existing and new Customer Accounts. OCTA shall continue to utilize a Customer Agreement that (a) to advises Customers that RCTC owns and operates a portion of the 91 Express Lanes and is an express third party beneficiary of, and may enforce, Customer obligations under the Customer Agreement directly related to Customers' use of the RCTC 91 Express Lanes; (b) reflects that RCTC will have access to California Highway Patrol reports of incidents on the 91 Express Lanes; (c) reflects that RCTC will have access to Customer Account information for purposes related to RCTC's ownership and operation of the RCTC 91 Express Lanes, including, but not limited to, collecting and enforcing tolls, fines and/or other charges; and (d) to add RCTC as an express beneficiary to the release, indemnification, and disclaimer of representations/warranties provisions of the Customer Agreement. Any changes to the Customer Account agreement shall be agreed upon by the Parties prior to use with Customer.

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2.9 Customer Account Business Rules

2.9.1 The Parties agree that, where practicable, it is in the best interest of Customers to maintain and implement consistent Customer Account Business Rules

2.9.2 RCTC utilizes and adopted Customer Account Business Rules consistent with OCTA's Customer Account Business Rules. Any changes to the Customer Account Business Rules must be reviewed and approved by the Parties' Designated Executive Representatives.

2.9.3 If the Parties' Designated Executive Representatives are unable to reach consensus on proposed changes to the Customer Account Business Rules, the matter shall be referred to the CEO and the Executive Director, respectively.

2.9.4 If the CEO and Executive Director are unable to reach consensus on changes to the Customer Account Business Rules, the matter may be referred to additional dispute resolution procedures as may be agreed upon by the Parties.

2.9.5 The Parties shall each be responsible for adopting and implementing their own Toll Pricing Policies, including pricing for reduced toll paying vehicles. Notwithstanding the foregoing, the Parties intend to maintain reasonably consistent Toll Pricing Policies.

2.10 Express Lanes Marketing.

2.10.1 General Principles.

(a) The Parties agree that it is in the best interest of each Party to create and implement consistent branding and marketing for the Express Lanes.

(b) The Parties agree that the OCTA 91 Express Lanes and the RCTC 91 Express Lanes shall be referred to jointly, for branding and marketing purposes, as the "91 Express Lanes" unless the Parties agree otherwise in writing, in their reasonable discretion.

(c) The Parties agree that the RCTC 15 Express Lanes joint branding will be mutually agreed upon, and will sufficiently represent the RCTC 15 Express Lanes while retaining the 91 Express Lanes trademark.

(d) The "branding" and marketing for the entirety of the 91 Express Lanes shall recognize the ownership of both OCTA and RCTC. Each Party shall cooperate on marketing and outreach efforts for the 91 Express Lanes.

(e) The Parties agree to cooperate in developing marketing and branding materials and plans. If the Parties are unable to agree on a joint marketing plan, each Party shall be entitled to undertake its own marketing, subject to the provisions of this Section.

2.10.2 Marketing Materials and Website.

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(a) The Parties agree that all advertisements, regardless of format, web-based and printed materials and joint facilities and equipment utilizing the 91 Express Lanes logo shall also include the logos for both OCTA and RCTC.

(b) The Parties shall share the cost of marketing materials or programs for the Express Lanes that are of mutual benefit to both Parties, including Express Lanes surveys, welcome postcards and brochures, based on the Cost and Revenue and Allocation.

(c) The website for the 91 Express Lanes shall include the OCTA 91 Express Lanes, the RCTC 91 Express Lanes and the RCTC 15 Express Lanes, and each Party shall have joint access, and ability to post materials, to the website.

(d) OCTA and RCTC shall continue to jointly produce the Express Lanes quarterly newsletter, with cost sharing for such production to be based on the Cost and Revenue and Allocation.

2.10.3 Review of Marketing Materials.

(a) The Parties intend that neither Party will market the Express Lanes, or any portion thereof, in a manner that will negatively impact the other Party or the portion of the Express Lanes operated by the other Party.

(b) Each Party shall submit all marketing materials and programs for the Express Lanes for review and concurrence of the other Party, in its reasonable discretion, prior to publicly disseminating such materials.

(c) Should a dispute arise regarding marketing materials for the Express Lanes, such dispute shall be submitted to the dispute resolution process set forth in this Cooperative Agreement.

2.10.4 In furtherance of the provisions of this Section, for so long as this Cooperative Agreement is in effect, each Party hereby authorizes and grants the other Party the right to use, free of charge, all registered trademarks and/or service marks held by either Party related to the Express Lanes to the extent necessary for joint Express Lanes branding and marketing purposes. Following termination of this Cooperative Agreement for any reason, each Party shall have the right to continue to use any registered trademarks and/or service marks held by the other Party, which are being utilized for joint branding and marketing purposes at the time of such termination, for Express Lane branding and marketing, provided that such Party pays the Party holding the trademarks and/or service marks reasonable compensation in an amount mutually agreed upon by the Parties in their reasonable discretion.

2.10.5 Each Party has and shall maintain its own licensing agreement with Fastrak for use of the Fastrak logo or other Fastrak materials.

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2.11 Changes in Technology; Interoperability.

2.11.1 The Parties acknowledge that either Party may require changes in tolling technology and that cooperation between the Parties will be required to ensure continued interoperability of tolling technology and Transponders used on the Express Lanes.

2.11.2 The Party implementing technology changes shall be responsible for covering reasonable costs associated with such changes, and shall ensure interoperability of the new technology with existing tolling technology and Toll Related Facilities. Notwithstanding the foregoing, if both Parties will benefit from adoption of a new technology, the Parties shall consider, in good faith, an equitable manner of sharing the costs for implementation of the new technology. Determinations regarding equitable cost sharing shall be part of the procedure for requests for technology changes set forth below.

2.11.3 Switchable Transponders.

(a) Any Customer Accounts or Customers

(b) that desire to have an option to use the Express Lanes other than as a full toll paying vehicle, such as a reduced toll paying vehicle or an exempt vehicle, shall be entitled to request a Switchable Transponder. The Parties shall equally share in the cost of purchasing Transponders based on the Cost and Revenue and Allocation.

2.11.4 Procedure for Technology Changes.

(a) In order to ensure that any changes in tolling technology desired by either Party are fully interoperable with the then-existing tolling and operational systems and/or will not cause the other Party to incur unapproved additional costs that will not be reimbursed by the requesting Party, prior to making any changes in Transponders, tolling hardware, tolling software or other tolling technology, the Party desiring the changes shall obtain a determination by the other Party's Designated Executive Representative that the proposed change(s) are both interoperable and will not cause any additional costs to the other Party. Any changes that are not fully interoperable with then-currently implemented and existing tolling and operational systems used for operation of the Express Lanes and/or any changes that may cause the other Party to incur unapproved additional costs that will not be reimbursed by the requesting Party shall require approval of the other Party's Designed Executive Representative. Requests to the appropriate Designated Executive Representative for a determination regarding proposed changes in tolling technology or for approval of proposed changes in tolling technology shall include the following, as applicable (i) information detailing interoperability of the changed elements; (ii) information detailing any changes to the existing Toll Related Facilities, tolling systems and operational systems that may 'be required to incorporate the proposed changes with then-currently implemented and existing tolling systems and operational systems used for operation of the 91 Express Lanes; and (iii) information detailing compliance of the changes to 6C tolling (or any subsequent equivalent standard).

(b) If the Parties' Designated Executive Representatives are unable to reach consensus on adoption of any changes in Transponders, tolling hardware, tolling software or other tolling technology, on whether the proposed changes will cause additional costs to the other

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Party or on the interoperability of proposed changes, the matter shall be referred to the CEO and the Executive Director, respectively.

(c) If the CEO and the Executive Director are unable to reach consensus on changes in Transponders, tolling hardware, tolling software or other tolling technology, on whether the proposed changes will cause additional costs to the other Party or on the interoperability of proposed changes, the matter may be referred to additional dispute resolution procedures as may be agreed upon by the Parties.

(d) The Parties agree that any approval of technology changes as set forth herein may require further action by the governing bodies of both or either Party, and no action hereunder shall bind the governing bodies of either Party as to such action, nor shall any action be considered final until all required approvals have been obtained.

2.12 Agreements with Other Toll Entities.

2.12.1 Unless otherwise agreed upon by the Parties, OCTA, as the "account holding agency" shall represent the interests of both Parties under OCTA's existing cooperative user fee processing agreements with Other Toll Entities as relates to the Express Lanes.

2.12.2 RCTC was previously included under OCTA's cooperative user fee processing agreements with Other Toll Entities for the 91 Express Lanes. OCTA will amend these agreements, as may be necessary, to include the RCTC 15 Express Lanes. The Parties established a mutually acceptable process to allocate payments and/or credits from Other Toll Entities between the Parties. Any changes to that process shall be agreed upon in advance by the Parties.

2.12.3 OCTA shall be the signatory for charges to and from the Other Toll Entities incurred pursuant to the cooperative user fee processing agreements.

ARTICLE 3

USE OF OPERATOR

3.1 Objectives Related to Use of Operator.

3.1.1 It is the intent of the Parties that the Existing Operator Agreement will be terminated, and the Parties will enter into an Amended and Restated Operations Agreement with Kapsch, as the Operator, for the Consolidated Back Office. The Operator shall operate the 91 Express Lanes and RCTC 15 Express Lanes as a single toll facility in order to create a seamless experience for Customers. The Parties may add other toll facilities they operate to the operation.

3.1.2 By jointly contracting with the Operator, the Parties desire to minimize extra work and personnel and duplication of services by the Operator, and to minimize the increase in operating costs of the Express Lanes, in order to lower operating costs for both OCTA and RCTC.

3.1.3 By jointly contracting with the Operator, the Parties further desire to minimize conflicting directions that may be provided to the Operator by the Parties, and to maximize the opportunity for sharing of resources and costs, as may be beneficial to both Parties.

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3.2 Operator Services.

3.2.1 The Parties intend that the Operations Agreement shall provide that:

(a) In operating the Express Lanes customer service center, the Operator shall not differentiate between RCTC and OCTA in providing services to Customers.

(b) In responding to Emergencies, the Operator shall utilize all of its resources under the Operations Agreement in the most efficient manner to protect the public and the 91 Express Lanes and to reduce any liability that either Party may incur.

(c) In complying with reporting requirements under the Operations Agreement, it is the intent of the Parties that the Operator shall use the same performance measures and reporting format for both Parties, as the same may be modified for compliance with each Party's financing requirements. Special reporting needs shall be accommodated by the Operator upon request of either Party.

3.2.2 At least five (5) years prior to expiration of the term of the Operations Agreement, as extended, the Parties shall meet and confer to determine whether or not to negotiate an amendment to the Operations Agreement extending the term thereof, to negotiate a new Operations Agreement with the Operator, or to procure a new operator jointly or individually for the 91 Express Lanes and RCTC 15 Express Lanes and/or other Express Lanes facilities.

3.2.3 Termination.

(a) If one Party believes that the Operator is in default under the Operations Agreement, the Designated Executive Representatives shall meet and confer regarding the alleged Operator default. Following such meeting, and in addition to any other procedures required pursuant to the Operations Agreement, the Parties shall jointly meet with the Operator regarding the default to determine if cure is possible and to facilitate, as the Parties deem desirable, such cure.

3.2.4 Procedures and Party's Rights in Event of Disagreement Regarding Continued Use of the Operator.

(a) If the Operations Agreement Representatives are in disagreement regarding an alleged uncured or uncurable default of the Operator per the terms of the Operations Agreement and whether to terminate all or a portion of the Operations Agreement pursuant to the Parties' termination rights thereunder, or if the Operations Agreement Representatives are unable to reach consensus regarding the continued use of the same Operator prior to termination of the Operations Agreement, prior to a recommendation being made to either Party's full governing board:

(i) The matter shall be referred for further discussion and negotiation to the Designated Executive Representatives; and

(ii) The matter shall be submitted to the dispute resolution process of this Cooperative Agreement.

(b) If, following completion of the dispute resolution process contained in this Cooperative Agreement, the Parties are unable to reach agreement regarding continued joint use of the Operator's services then:

3.3 In the case of the Operator's alleged uncured or uncurable default and provided that the Parties are able to negotiate such right under the Operations Agreement, either Party shall have the right to unilaterally terminate the Operations Agreement as per said Party's rights and obligations, as the Parties intend shall be further set forth in the Operations Agreement.

3.4 Joint Procurement of New Operator. If the Operations Agreement is mutually terminated by the Parties or expires without extension thereof, the Parties shall jointly solicit a new operator for the Express Lanes. OCTA and RCTC agree to cooperate as equal parties in the procurement of such new operator. OCTA and RCTC shall each have the joint right to participate in the development of, review and approve the new operator procurement documents, scope of work, technical provisions and form of operator contract, participate in and approve the selection of the new operator and negotiate the terms and conditions of such new operations contract. Each Party shall bear its own costs in connection with such new procurement. RCTC and OCTA shall each be parties to any new operator contract as described in this Section.

ARTICLE 4

COST SHARING FOR OPERATOR COSTS

4.1 Operator Costs As of Notice to Proceed with Consolidated Back Office Transition. Commencing with the issuance of notice to proceed under the Operations Agreement for the work to transition to the Consolidated Back Office, RCTC and OCTA intend to jointly and equitably share the cost of the Operator's services, as detailed in the Operations Agreement.

ARTICLE 5

COST SHARING FOR ADDITIONAL SERVICES RELATED TO OPERATION OF THE 91 EXPRESS LANES

5.1 Additional Vendor Contracts. OCTA and RCTC intend and anticipate that, by either jointly contracting with consultants/vendors under certain additional vendor contracts required for the Express Lanes ("Additional Vendor Contracts"), or by sharing in the cost for such contracts that may be held by only one Party, the Parties will minimize extra work and duplication of services by the identified consultants/vendors, and will thereby reduce the operating costs of the Express Lanes. Notwithstanding the foregoing, the Parties understand and agree that it may be necessary or desirable for the Parties to separately contract for some of the services with no cost sharing.

(a) For any Additional Vendor Contracts that are held by only one Party the Additional Vendor Contract, when the Parties deem necessary, shall include indemnification and additional insured requirements to benefit of both Parties, and the non-contracting Party shall be a designated third party beneficiary, and, as applicable, a designated representative shall be included under the contract.

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(b) A Party shall not terminate its rights under the relevant Additional Vendor Contract, exercise any extension option or change any material provisions thereof, without the other Party's prior written approval, in its reasonable discretion.

(c) The contracting Party shall confer with the other Party no less than six (6) months prior to expiration of the term of the relevant Additional Vendor Contract regarding the terms and conditions for extension or renegotiation of said contract.

(d) The non-contracting Party's designated representative under the relevant Additional Vendor Contract shall have the same rights as the contracting Party's designated representative thereunder to direct the services of the relevant consultant/vendor.

(e) Neither Party shall unilaterally provide any direction to the consultant/vendor under the relevant Additional Vendor Contract that would materially impact the other Party's portion of the 91 Express Lanes, or that would result in harm, increased costs or loss of Revenue to the other Party.

(f) Following the expiration or termination of any Additional Vendor Contract, the Parties shall confer on how to contract for such services from and after such expiration or termination, it being the intent of the Parties that such future contracting shall be on a joint basis.

5.1.2 Cost sharing under the Additional Vendor Contracts shall be in accordance with the Cost and Revenue and Allocation, or as set forth in the ROFA.

5.2 Reimbursement for Staff Time. If either Party requests the use of the other Party's staff for the benefit of the requesting Party's operation of its segment of the 91 Express Lanes, the requesting Party shall compensate the other Party for the actual cost of such staff time.

ARTICLE 6

CUSTOMER ACCOUNTS AND TOLLS

6.1 Establishment of Accounts; Handling and Allocation of Deposits.

6.1.1 OCTA, RCTC and a custodial financial institution acceptable to both Parties ("Custodian") entered into an agreement to govern the custody and processing of all toll and Transponder Revenues generated on the Express Lanes (the "Custodial Account Agreement").

6.1.2 The Parties agree to keep in place the Custodial Account Agreement or a replacement custodial agreement in full force and effect throughout the term of this Cooperative Agreement, except as to any rights of RCTC to enter into its own separate agreement with a financial institution for maintenance of RCTC toll Revenues in relation to RCTC 15 Express Lanes Customer Accounts.

6.1.3 The Custodial Account Agreement shall provide for:

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(a) The establishment of a Customer Account, and Other Toll Entities Account, as defined in Exhibit "B", under the Custodial Agreement (the "Master Custodial Accounts"),

(b) Handling and allocation of deposits to and from the Master Custodial Accounts shall be as further set forth in Exhibit "B".

6.2 Customer Accounts.

6.2.1 OCTA shall maintain Customer Accounts for the benefit of both Parties, and RCTC's existing Riverside Express Customer Accounts will be transferred to OCTA. OCTA shall hold funds for such accounts in the Express Lanes Customer Account and the Express Lanes Customer Funds Account, as those terms are defined in Exhibit "B", as applicable, in accordance with the Custodial Account Agreement and, to the extent not inconsistent with such Custodial Account Agreement, OCTA policies and practices.

6.2.2 Debits and credits to the Express Lanes Customer Account and the Express Lanes Customer Funds Account shall be managed in accordance with the Custodial Account Agreement and, to the extent not inconsistent with such Custodial Account Agreement, OCTA policies and practices.

6.2.3 Any changes to OCTA policies and practices related to Customer Accounts, including changes in the processing and payment of tolls and other charges, and/or handling of funds and deposits thereunder, must be reviewed and approved by the Parties' Designated Executive Representatives,

6.2.4 The Parties agree that any cash, credit card or other deposits maintained by Customers to fund their Customer Accounts shall not constitute Revenues generated from tolls or Transponders and earned by either of the Parties or be due to either Party until debited from the respective Customer Account and allocated to one of the Parties as provided herein for the Customer's use of the 91 Express Lanes in accordance with the Custodial Account Agreement

6.2.5 The Parties agree that all interest earned on Customer deposits from Customer Accounts shall be split between the Parties based on the Cost and Revenue and Allocation on Customer deposits to which RCTC is entitled shall be transferred to an RCTC account, as directed by RCTC, on a monthly basis. Interest on Customer deposits to which OCTA is entitled shall be transferred to an OCTA account, as directed by OCTA, on a monthly basis,

6.3 Toll Revenues and Other Funds.

6.3.1 The Parties agree, and any agreement with the Custodian shall expressly state, that RCTC toll, account and other Revenues allocated to RCTC as provided herein shall at no time be pledged or transferred to any OCTA account and shall only be pledged or transferred to an account designated by RCTC pursuant to the terms of the Custodial Account Agreement. OCTA shall have no interest in such Revenues; and shall not be entitled to access such funds for its own use and OCTA bondholders and lenders shall have no claim, right or interest in and to such funds. To the extent that OCTA receives or otherwise obtains such Revenues, OCTA shall hold

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such Revenues as an agent and bailee and shall promptly remit such Revenues to the Custodian for deposit into the appropriate Custodial Account Agreement.

6.3.2 The Parties agree, and any agreement with the Custodian shall expressly state, that OCTA toll, account and other Revenues allocated to OCTA as provided herein shall at no time be pledged or transferred to RCTC or to any RCTC account and shall only be pledged or transferred to an account designated by OCTA pursuant to the terms of the Custodial Account Agreement. RCTC shall have no interest in such Revenues; and shall not be entitled to access such funds and RCTC bondholders and lenders shall have no claim, right or interest in and to such funds. To the extent that RCTC receives or otherwise obtains such Revenues, RCTC shall hold such Revenues as an agent and bailee and shall promptly remit such Revenues to the Custodian for deposit into the appropriate Custodial Account under the Custodial Account Agreement.

6.3.3 The Parties agree, and any agreement with the Custodian shall expressly state, that should either Party default on any of its debts, bondholders or other secured interests of the defaulting Party shall have no right to access any funds allocated to the other Party or to which the other Party is entitled.

6.3.4 RCTC shall direct that any and all Revenues transferred or allocated to RCTC from the Custodian shall be deposited with the trustee for the bonds or other depository that shall be directed to use such Revenues first to pay OCTA for any outstanding operating expenses, the Operator or any other vendor providing joint services, as applicable, for any amounts owed by RCTC to OCTA hereunder for operating expenses or to the Operator or such vendor, as applicable, prior to the use of such Revenues for payment of debt service, funding reserves or any other purpose.

6.3.5 OCTA's existing agreements and financing documents provide that the Custodian must deposit with the trustee for the bonds or other depository: such Revenues and the trustee or other depository: is required first to pay RCTC for any outstanding operating expenses, the Operator or any other vendor providing joint services, as applicable, for any amounts owed by OCTA to RCTC hereunder for operating expenses or to the Operator or such vendor, as applicable, prior to the use of such Revenues for payment of debt service, funding reserves or any other purpose. OCTA shall, in no event, modify or alter the foregoing obligations and flow of funds without the prior written approval of RCTC, in its sole discretion.

6.3.6 The Parties agree that neither Party shall have ownership of any Revenues while Revenues are held by the Custodian but shall have the rights granted under the Custodial Account Agreement to have Revenues allocated to either Party as provided in the Custodial Account Agreement.

6.4 Administrative Fees.

6.4.1 The Parties acknowledge that certain administrative fees are currently imposed on Customer Accounts including minimum monthly Customer Account maintenance fees, "Express Club" fees, convenience account fees, account deactivation fees, lost/stolen Transponder fees, standard account fees and other miscellaneous fees ("Administrative Fees"). After the effective date of the Custodial Account Agreement, all of such fees shall be deposited

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and paid to a Custodial Account pursuant to the terms of the Custodial Account Agreement. As used herein, the term "Administrative Fees" shall not include any administrative fees imposed for toll violations or in connection with toll enforcement or collections of unpaid tolls.

6.4.2 The Parties agree that any changes to the schedule of Administrative Fees, including changes in the amounts or nature of Administrative Fees, the elimination or suspension of such Administrative Fees or the addition of new administrative fees must be reviewed and approved by the Parties' Designated Executive Representatives.

6.4.3 All Revenues generated from Administrative Fees and any other miscellaneous income generated from Customer Accounts, except as otherwise expressly provided herein, shall be equitably split by the Parties based on the Cost and Revenue Allocation. .

6.5 Transponder Issuance Deposit. The Parties agree that all Revenues generated from interest on Transponder deposits shall be split between the Parties based on the Percentage Revenue Split. After the effective date of the Custodial Account Agreement, all of such Transponder issuance deposits shall be deposited and paid to a Master Account pursuant to the terms of the Custodial Account Agreement.

6.6 Handling of Toll Violations.

6.6.1 The Parties agree that Customers and other users of the Express Lanes shall incur separate fines and administrative fees for toll violations on the OCTA 91 Express Lanes RCTC 91 Express Lanes, or RCTC 15 Express Lanes, respectively, and shall be separately notified and billed for such violations.

6.6.2 Each Party shall be solely responsible for handling toll violations, consistent with the Customer Account Business Rules, occurring on that Party's Express Lanes including enforcement and collection of outstanding tolls, and imposition of penalties and fines. Each Party shall solely bear its own costs in connection with such efforts to handle such toll violations. Such discretion includes the right to outsource toll violation collections to a collections agency.

6.6.3 Each Party shall have the sole right to reduce fines/penalties, settle toll violations and/or to prosecute toll violators for violations occurring on that Party's portion of the 91 Express Lanes.

6.6.4 Each Party shall have the sole right to any Revenues generated from toll violations, fines and penalties; collection of disputed tolls; plate read fee income; and violation processing fees related to toll violations occurring on that Party's Express Lanes.

6.7 Insufficient Funds in Customer Account.

6.7.1 If a Customer has insufficient funds in his/her Customer Account, and the Customer incurs a toll charge on both RCTC and OCTA Express Lanes, the Parties agree that funds shall be allocated based on the timing of the toll transaction, with the first transaction to be paid first and the second transaction to be paid with remaining funds, if any.

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6.7.2 Monies recovered from Customers for penalties and toll violations shall be allocated on a pro-rata basis based on the amounts owed to each Party at the time of receipt of payment.

6.8 Reporting Requirements/Audit Rights. The Parties shall have the right to require the Operator and/or the Custodian, as applicable, to provide quarterly reporting relating to the number of new Transponders issued, the number of new Customer Accounts, the number of cancelled or suspended Customer Accounts, the total number of Transponders in service, the total number of Customer Accounts, the total Customer deposits and interest earned on such deposits, the toll, account and other Revenue generated on the Express Lanes, and each portion thereof, administrative fees charged, and other fees charged and/or costs incurred related to the operation of the Express Lanes. Either Party may request more frequent reporting, provided that the costs thereof shall be paid by the requesting Party.

6.9 Recourse for Lost Funds. As between the Parties, if either Party, at any time, holds funds that should have been allocated to the other Party, the Party holding such funds shall be fully responsible to the other Party for any loss thereof. In no event shall such Party holding such funds have any rights, claim, interest or title in and to such funds.

6.10 Accounting Treatment. Each Party shall be solely responsible for its own accounting related to operation of that Party's Express Lanes, and for writing off lost toll, account and other Revenues in such manner as that Party determines legal and appropriate. In no event shall either Party be deemed to make any representations or warranties as to the other Party's accounting treatment.

6.11 Coordinating Changes in Toll Rates. The Parties shall make a good faith effort to coordinate the timing of any changes in toll rates.

ARTICLE 7

GENERAL MATTERS

7.1 Indemnification.

7.1.1 RCTC shall indemnify, defend and hold OCTA, its directors, officials, officers, employees, agents, consultants and contractors free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any breach of contract, negligent acts, omissions or breach of law, or willful misconduct of RCTC, its officials, officers, employees, agents, consultants or contractors (other than the joint Operator or other contractors with which the Parties have a separate joint agreement) arising out of or in connection with performance under this Cooperative Agreement, including the payment of all reasonable attorneys fees.

7.1.2 OCTA shall indemnify, defend and hold RCTC, its directors, officials, officers, employees, agents, consultants and contractors free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident

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to any breach of contract, negligent acts, omissions or breach of law, or willful misconduct of OCTA, its officials, officers, employees, agents, consultants or contractors (other than the joint Operator or other contractors with which the Parties have a separate joint agreement) arising out of or in connection with performance under this Cooperative Agreement, including the payment of all reasonable attorneys fees.

7.1.3 Neither Party shall be liable to the other Party for any consequential, special, incidental or indirect damages.

7.2 Recovery of Damages Under Joint Agreements. In the case of recovery of damages from the Operator under the Operations Agreement, or from any other consultant or contractor under any joint agreement of the Parties related to the Express Lanes, such recovery shall be proportionately allocated between the Parties based on the percentage of damage or loss incurred by each Party, taking into account any contributory negligence of either Party.

7.3 Insurance. Each Party agrees to maintain appropriate insurance in such amounts and with such coverage as determined necessary, in its sole discretion. Each Party shall name the other Party as an additional insured under all of its insurance policies related to the use and operation of the Express Lanes, unless provision for additional insureds is not generally available for a policy covered under this Cooperative Agreement. Alternatively, the Parties may determine to jointly procure insurance required for the use and operation of the Express Lanes.

7.4 Termination.. The Parties may terminate this Cooperative Agreement in whole or in part as follows:

7.4.1 Termination for Convenience. Neither Party shall have the right to terminate this Cooperative Agreement for convenience for the term of the Operations Agreement. Following such period, either Party shall have the right to terminate this Cooperative Agreement, in whole or in part, for convenience of the terminating Party, after providing five (5) years' prior written notice of termination to the other Party, provided that the effective date of such termination must coincide with a termination of the Operations Agreement, either in whole or as to the terminating Party's rights and obligations thereunder, as set forth in this Cooperative Agreement. The notice shall specify the grounds for termination and the effective date thereof.

7.4.2 Termination/or Cause.

(a) Default. Subject to any extensions of time set forth in this Cooperative Agreement and/or any extensions agreed upon by the Parties, the following shall constitute a default under this Cooperative Agreement:

(i) Commencement of a voluntary or involuntary action by or against a Party under federal or state bankruptcy law;

(ii) breach of a material bond covenant or failure to make a timely bond payment by either Party under a bond indenture for a toll revenue bond financing of the 91 Express Lanes to which such Party is a party, which breach or failure has not been cured within any applicable notice and cure period set forth in the bond indenture; or

(iii) failure or delay by either Party to perform any material term or provision of this Cooperative Agreement.

(b) Notice of Default. The non-defaulting Party shall give written notice of default to the Party in default, specifying the default complained of by the non-defaulting Party. Except as otherwise expressly provided in this Cooperative Agreement, any failures or delays by either Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either Party in asserting any of its rights and remedies shall not deprive either Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

(c) Failure to Cure. In the event that the defaulting Party fails to commence to cure, correct or remedy a default within thirty (30) calendar days following receipt of written notice, or thereafter fails to diligently complete such cure, correction or remedy, a default of this Cooperative Agreement shall be deemed to have occurred, and the defaulting Party shall be liable to the non-defaulting Party for any damages caused by such default. In the event of a default, the non-defaulting Party may exercise all rights and remedies available at law or in equity, including the right to seek damages, seek specific performance or other injunctive or equitable relief and/or terminate this Cooperative Agreement through a written notice of termination, the effective date of which shall be no less than ninety (90) days from the date of the notice. Disputes regarding the existence of a default that may give rise to termination under this Section shall be subject to the dispute resolution provisions provided below, but the right to exercise rights and remedies for such reason shall not be subject to review. The exercise of a Party's rights and remedies shall be cumulative with the exercise of other rights and remedies. Notwithstanding anything contained in this paragraph, neither Party shall have the right to terminate this Cooperative Agreement while the subject of such termination is in the process of review pursuant to the dispute resolution procedures contained in this Cooperative Agreement.

7.4.3 Cooperation Prior to Termination. Prior to the effective date of either a termination for cause or for convenience, the Parties shall cooperate in good faith to facilitate the transfer of services, agreements, materials, software, equipment and information, as necessary for the continued successful operation by each Party of its Express Lanes.

7.4.4 Survival Following Termination. Notwithstanding any termination of this Cooperative Agreement, and for the best interest of Customers of the 91 Express Lanes, the Parties shall continue to cooperate and coordinate operation of the 91 Express Lanes.

In addition, all rights and obligations under this Cooperative Agreement that by their nature are to continue after any expiration or termination of this Cooperative Agreement, shall survive any such expiration or termination.

7.5 Dispute Resolution. Unless otherwise specified herein, the Parties shall comply with the following procedures in the case of a dispute, claim or controversy arising under or in relation to this Cooperative Agreement. If one of the procedures below has already been completed pursuant to another section of this Cooperative Agreement, the matter shall immediately be submitted to the subsequent procedure.

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7.5.1 Submission to Executive Director and CEO. The dispute shall be referred for negotiation to the Executive Director and the CEO. The Executive Director and the CEO agree to undertake good faith attempts to resolve said dispute, claim or controversy within ten (10) calendar days after the receipt of written notice from the Party alleging that a dispute, claimor controversy exists. The Parties additionally agree to cooperate with the other Party m scheduling negotiation sessions.

7.5.2 Submission to Ad Hoc Committee. If said matter is not resolved by the Executive Director and the CEO within thirty (30) calendar days after conducting the first negotiating session, either Party may then request that the matter be submitted to an ad hoc committee comprised of two (2) members of the SR-91 Advisory Committee, with one (1) member from the governing board of RCTC and one (1) member from the governing board of OCTA.

7.5.3 Further Dispute Resolution. If a matter is not timely resolved after submission to a dispute resolution ad hoc committee as described above, the Parties may refer the matter to further dispute resolution procedures, as may be agreed upon by the Parties.

7.5.4 Legal Action. If a matter is not resolved within thirty (30) calendar days after the first negotiating session of the dispute resolution ad hoc committee, unless otherwise agreed upon in writing by the Parties, either Party may proceed with any other remedy available in law or in equity.

7.6 Term. This Cooperative Agreement shall remain in full force and effect, unless otherwise terminated as provided herein, so long as both Parties operate their Express Lanes as a toll facility.

7.7 Force majeure. The failure of performance by either Party (except for payment obligations) hereunder shall not be deemed to be a default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor, railroad, or suppliers; acts of the other Party; acts or failure to act of any other public or governmental agency or entity (other than the acts or failure to act of the Parties); or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform or relief from default. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) days of the commencement of the cause. Times of performance under this Cooperative Agreement may also be extended in w1iting by mutual agreement between the Parties.

7.8 Amendments. This Cooperative Agreement may be amended at any time by the mutual consent of the Parties by an instrument in writing; however, no amendments or other modifications of this Cooperative Agreement shall be binding unless executed in writing by both Parties hereto, or their respective successors or assigns.

7.9 Assignment of Agreement. Neither Party may assign or transfer its respective rights or obligations under this Cooperative Agreement without the express written consent of the other

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Party. Any purported assignment or transfer by one Party without the express written consent of the other Party shall be null and void and of no force or effect.

7.10 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of either Party shall be deemed to waive or render unnecessary such Party's consent to or approval of any subsequent act of the other Party. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Cooperative Agreement.

7.11 General Interpretation.

7.11.1 As used in this Cooperative Agreement, unless otherwise specified, the tern1"including" shall mean including, but not limited to, or without limitation.

7.11.2 As used in this Cooperative Agreement, unless otherwise specified, the terms "shall" and "will" shall have the same meaning.

7.12 Entire Agreement. This Cooperative Agreement, including the attached exhibits, constitutes the entire agreement between the Parties with respect to the subject matter contained herein. As of the Effective Date, this Cooperative Agreement shall supersede and replace, in its entirety, the Original Agreement.

7.13 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Cooperative Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Cooperative Agreement, which shall be interpreted to carry out the intent of the Parties hereunder.

[Signatures on following page]

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SIGNATURE PAGE TO
COOPERATIVE AGREEMENT
FOR STATE ROUTE 91 EXPRESS LANES
AND CORRIDOR IMPROVEMENTS
BETWEEN RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND
ORANGE COUNTY TRANSPORTATION AUTHORITY

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EXHIBIT A

COST AND REVENUE AND ALLOCATION BETWEEN THE EXPRESS LANES

This exhibit sets forth the agreed-upon methodology for sharing revenue and expenses processed through the consolidated back-office and the sharing of Operator costs.

The methodologies are broken down in the following sections:

1. Revenue and Discounts
2. Operator Costs (non pass-through)
3. Pass-through Expenses
4. Allocation Formulas

1. REVENUE AND DISCOUNTS

Toll and Violation Revenue

All toll and violation revenue associated with a specific toll transaction shall be assigned to the entity (OCTA 91 Express Lanes, RCTC 91 Express Lanes, or RCTC 15 Express Lanes) for which the toll plaza is assigned. The assignment of revenue includes tolls, NTEV penalty, NDTEV penalty, Collection Agency Assignment Fee and the DMV Registration Hold Fee.

	OCTA 91 Express Lanes	**RCTC 91 Express Lanes**	**RCTC 15 Express Lanes**
Toll Revenue	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza
Violation Penalty Revenue	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza
Violation Fee Revenue at Transaction Level	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza

Toll Transaction Discounts

Discounts given at the transaction level should be assigned to the entity for which the toll plaza is assigned. This includes HOV3+, disabled veteran, disabled plate, motorcycle, standard plan frequent user discount and AAA one/two-week free discount.

Account Level Discounts and Credits

Discounts or credits given at the account level will be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50%.

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Account-Based Revenue

Prior to consolidation, the 91 Express Lanes had approximately 186,000 accounts compared to the 15 Express Lanes 25,000 accounts. OCTA, as the account-holding agency, will take over the 15 Express Lanes accounts and the 15 EL will no longer "own" accounts. The 91 Express Lanes also offered account plans that the 15 Express Lanes did not have: Express Club and Convenience. The 15 Express Lanes Account Fee revenue will be $550,000 per fiscal year for the term of the agreement. The remaining annual Account Fee revenue will be split evenly between the 91 Express Lanes. The allocation of account-based revenue will not change through the term of this agreement.

If the 15 Express Lanes South is added to the operation, it will not receive any account revenue or change the allocation in any way.

	RCTC 15 FY 25
Express Club	0
Standard Account Fee	346,220
NSF and Statement Fee	47,302
Convenience Fee	0
Account Deactivation	54,293
Transponder	102,185
Totals	550,000

This table is for the purpose of determining the 15 Express Lanes on-going fixed account revenue.

2. OPERATOR COSTS (Non Pass-Through)_

Kapsch BOS Fixed Fee

The Kapsch contract has three fixed fee components: BOS Fixed Fee, CSC Fixed Fee, and BRiC BOS Fixed Fee. The total contract fee for these items (the base contract and 2041 refresh cost plus the 2026 Amended and Restated 91 EL Costs), less the costs of the RCTC ODS program ($555k annually for ODS) and for project management shared with the RCTC roadside ($1.5M annually) will be allocated based on the Entity Transaction Calculation.

91 TOC Costs

All 91 TOC costs shall be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50% each.

15 TOC Costs

All 15 EL TOC costs shall be paid by RCTC 15 Express Lanes.

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Bad Debt Expense Accounts

Bad debt expense for prepaid customers will be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50% each.

Bad Debt Expense Violations

Bad debt expense for violations will be assigned to each entity based on toll plaza assignment.

Variable Account Fee

The Kapsch contract has a variable account fee based on the number of active transponder accounts. This fee will be allocated using the Entity Transaction Calculation.

Variable NTEV Fee

The Kapsch contract has a variable violation processing fee based on the number of NTEVs mailed. NTEVs can include trips from all three entities on them. The Entity Violation Calculation will be used.

Back Office System Improvement Costs

The cost of improvements or changes for a specific entity will be paid for by that entity. BOS improvements that benefit all entities shall be split according to the Entity Transaction Calculation.

3. PASS THROUGH EXPENSES

The Kapsch contract includes several pass-through costs that will be paid according to the following allocations.

Credit Card Fees

Credit card fees shall be allocated to each entity based on the Entity Revenue Calculation.

PayNearMe Fees

PayNearMe fees are commonly not a pass-through cost. This fee is charged by PayNearMe to the contracting parties when minimum revenue thresholds are not met. In the instance where this fee is charged, the cost shall be shared by the entities using the Entity Revenue Calculation.

Welcome Kit Postage

Welcome Kit Postage will be allocated based on the Entity Transaction Calculation.

CSC Phone Lines

CSC Phone Lines will be allocated based on the Entity Transaction Calculation.

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Violation Postage

The Kapsch contract has a pass-through cost for NTEV and NDTEV mailings. NTEVs and NDTEVs can include trips from all three entities on them. The Entity Violation Calculation will be used.

Administrative Hearings

Administrative Hearing costs will be allocated based on the Entity Transaction Calculation.

Collection Fees

Collection Fees will be allocated based on the toll plaza assignment for the transaction on which the fee was charged.

Miscellaneous Mailing Postage and Fees

Miscellaneous Mailing Postage and Fees will be allocated based on the Entity Transaction Calculation.

4. ALLOCATION FORMULAS

Entity Revenue Calculation

Each year prior to budget development (January), the proportion of entity revenue will be calculated using revenue from the prior fiscal year. The calculated percentages will be used for the entire fiscal year provided that no new entity is introduced to the operation. If a new entity is introduced, the allocation will be revised based on estimated revenue for the new entity. The calculation will be as follows:

	OCTA 91 Express Lanes	RCTC 91 Express Lanes	RCTC 15 Express Lanes	New Entity
Toll revenue	60,605,242	90,629,646	44,633,972	NA
Violation Penalty Revenue	5,615,410	10,382,059	8,875,611	NA
Fees	1,580,587	2,455,636	726,672	NA
Total	67,801,239	103,467,341	54,236,255	NA
Percentage	30.1%	45.9%	24.1%	NA

Initial Percentages Based on FY 2025 Revenue

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Entity Trip Calculation

Each year prior to budget development (January), the proportion of entity trips will be calculated using trips from the prior fiscal year. The calculated percentages will be used for the entire fiscal year provided a new entity is not introduced to the operation. If a new entity is introduced, the allocation will be revised based on estimated trip for the new entity. The calculation will be applied for the entire fiscal year following the calculation. The calculation will be as follows:

	OCTA 91 Express Lanes	RCTC 91 Express Lanes	RCTC 15 Express Lanes	New Entity
Toll Trip	21,992,452	20,952,400	16,802,743	0
Percentage	36.8%	35.1%	28.1%	0

Initial Percentages Based on FY 2025 Trips

Entity Violation Calculation

Violation notices can include trips from all three entities. Violation notices are cost drivers for the CSC regardless of the number of violations included on a single NTEV. A weighted-average allocation of the NTEVs issued for the combined entities will be calculated each year prior to budget development (January). If the Parties agree, this calculation may be performed more frequently. Only NTEVs will be used in the calculation and assumes NDTEVs follow the same allocation. The calculated percentages will be used for the entirety of the following year provided a new entity is not introduced to the operation. As there is not historical data to make this calculation for the Go Live date the Agencies will agree to an allocation based on the best available data. The calculation will be as follows:

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Transaction Mix on Single NTEV	NTEV Count by Mix*	OCTA 91	RCTC 91	RCTC 15	OCTA 91 Allocation	RCTC 91 Allocation	RCTC 15 Allocation
		Weighted Average	Weighted Average	Weighted Average			
OCTA 91 Only	20,000	1			20,000	-	-
RCTC 91 EL only	20,000		1		-	20,000	-
15 El Only	20,000			1	-	-	20,000
OCTA 91 EL and RCTC 91 EL	40,000	0.5	0.5		30,000	30,000	-
RCTC 91 El and RCTC 15 EL	30,000		0.5	0.5	-	10,000	10,000
OCTA 91 and RCTC 15	5,000	0.5		0.5	10,000	-	10,000
OCTA 91, RCTC 91 and RCTC 15	30,000	0.33	0.33	0.34	6,600	6,600	6,800
Total	165,000				66,600	66,600	46,800
					37%	37%	26%

This is sample data for illustrative purposes only. The initial split will be OCTA 91 30%, RCTC 91 30%, 15 Express Lanes 40%.

If the Parties identify changes to the allocation methods described in this Exhibit the Executive Director of RCTC and CEO of OCTA shall be authorized to approve an amendment to this Exhibit to reflect those changes.

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EXHIBIT B

TOLL REVENUE ALLOCATION

1. Custodial Agreement. RCTC and OCTA shall jointly enter into a Custodial Agreement with a Custodian in a form agreed upon by the Parties, pursuant to which the accounts described below shall be established by the Custodian. RCTC and OCTA shall negotiate with the Operator to include the Operator obligations below under the Operations Agreement.

2. 91 Express Lanes Customer Account Transactions. Operator will use commercially reasonable efforts to insure that balances in the Express Lanes Customer Funds Account are maintained. For Customer Account holders that have agreed to permit OCTA to request advances on credit cards of such Customer Account holders, Operator shall timely request and process such advances whenever the current balance of funds on deposit to the credit of such Customer Accounts are not sufficient to either pay any amounts payable with respect to such Customer Account, including for any use of the Express Lanes, or to satisfy any minimum cash balance requirements applicable to such Customer Account.

2.1 For each Express Lanes Customer Transponder transaction on the Express Lanes, Operator agrees that by no later than the date specified in Section 4.1 of this Exhibit, Operator will instruct the Custodian to (i) debit the Express Lanes Customer Funds Account in order to effect payment into a designated RCTC Express Lanes toll Revenue account ("RCTC Express Lanes Toll Revenue Account"), of the toll Revenue for such transaction determined by the Operator as described in Section 4. 1 and (ii) transfer such funds to the designated RCTC payee account ("RCTC Payee Account").

2.2 For each Express Lanes Customer Transponder transaction on the OCTA 91 Express Lanes, Operator agrees that by no later than the date specified in Section 4.2 of this Exhibit, Operator will instruct the Custodian to (i) debit the Customer Funds Account in order to effect payment into a designated OCTA Express Lanes toll Revenue account ("OCTA Express Lanes Toll Revenue Account"), of the toll Revenue for such transaction determined by the Operator as described in Section 4,2 and (ii) transfer such funds to the designated OCTA payee account ("OCTA Payee Account").

3. Other Toll Entity Transactions. OCTA will deliver instructions to each Other Toll Entity to make or cause to be made all payments with respect to Transponder transactions by their customers on the Express Lanes not to OCTA but instead either (i) into a single master account maintained by the Custodian under the Custodial Agreement (the "Other Toll Entity Revenue Account"), which will be collected daily, processed and cash proceeds transferred by the Custodian into a single master Custodial account maintained by the Custodian under the Custodial Agreement (the "Other Toll Entity Revenue Account") or (ii) directly to the Custodian by electronic funds transfer for deposit into the Other Toll Entity Revenue Account.

3.1 For each Other Toll Entity Transponder transaction on the RCTC Express Lanes, Operator will instruct the Custodian to (i) debit the Other Toll Entity Revenue Account in order to

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effect payment into the RCTC 91 Express Lanes Toll Revenue Account, of the toll Revenue for such transaction and (ii) transfer such funds to the RCTC Payee Account.

3.2 For each Other Toll Entity Transponder transaction on the OCTA 91 Express Lanes, Operator will instruct the Custodian to (i) debit the Other Toll Entity Revenue Account in order to effect payment into the OCTA 91 Express Lanes Toll Revenue Account, of the toll Revenue for such transaction and (ii) transfer such funds to the OCTA Payee Account.

4. Toll Transaction Payments.

4.1 Operator shall direct the Custodian to pay to the designated RCTC Payee Account, in arrears, the toll Revenue for each Transponder transaction on the RCTC 91 Express Lanes, including the toll Revenue received from Other Toll Entity account holders, within five (5) business days after the date that all required transaction data for such Transponder transaction has been acquired by the Operator.

4.2 Operator shall direct the Custodian to pay to the designated OCTA Payee Account, in arrears, the toll Revenue for each Transponder transaction on the OCTA 91 Express Lanes, including the toll Revenue received from Other Toll Entity account holders, within five (5) business days after the date that all required transaction data for such Transponder transaction has been acquired by the Operator.

4.3 Operator shall specify the date of each required distribution by the Custodian in its payment instructions to the Custodian under the Custodial Agreement and Operator agrees that such dates shall be on or before the date that payments are required under Sections 4.1 and 4.2 above.

4.4 Operator acknowledges that Operator is an intermediary of RCTC and has no beneficial interest in the toll Revenues collected and held by the Custodian with respect to any Transponder trips on the RCTC Express Lanes.

4.5 Operator acknowledges that Operator is an intermediary of OCTA and has no beneficial interest in the toll Revenues collected and held by the Custodian with respect to any Transponder trips on the OCTA 91 Express Lanes.

4.6 OCTA acknowledges that OCTA is an intermediary of RCTC and has no beneficial interest in the toll Revenues collected by OCTA, if any, with respect to any Transponder hips on the RCTC Express Lanes.

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