**Purchase of Service Contract**

Contract for Transportation Services

Between (Legal Name of Provider) and (Legal Name of Transit System)

WHEREAS, (Provider) has an interest in provision of transportation services to (specify target population and service area), and

WHEREAS, (Transit System) has been officially designated as the (urban or regional) transit system for (specific service area) pursuant to Section 324A.1. Code of Iowa and has vehicles and employees available for transporting those persons,

NOW, THEREFORE, THE PARTIES DO HEREBY MUTUALLY AGREE AS FOLLOWS:

A. Purpose and Timeframe

1. The purpose of this contract is to arrange for public transit services under the auspices of the designated public transit system.

2. The contract period shall begin on Month, Day, Year, and continue through Month, Day, Year. Any extension or renewal of this contract shall be in writing and mutually agreed upon by both parties. (OPTIONAL: Transit systems please note this contract may run a maximum of three years, with the option of two one-year extensions.)

B. Description of Service

1. All transit services will be provided in vehicles open to the general public without discrimination.

2. Service shall be provided (specify days of service) except on the following holidays:

(specify service holidays) (Stating “to meet locally determined needs” or “as mutually agreed upon” is not allowed – need to be specifically stated.)

3. Service hours under this contract shall be (specify service hours). (Stating “to meet locally determined needs” or “as mutually agreed upon” is not allowed – need to be specifically stated.)

4. Service shall be (specify nature of service, i.e.: "daily demand‑responsive transportation within City of Iowa plus Monday/Wednesday shuttle to Des Moines designed primarily around the needs of older Iowans for congregate meal, grocery and medical transportation," or "advanced reservation demand responsive service centering on Head Start attendance centers", or "fixed‑route services on 30‑minute headways along routes shown on attached map, plus supplemental demand‑responsive services for those physically unable to board route buses.")

5. Members of the general public shall be able to access these services by (describe means of access, i.e.: "flagging bus at designated stops along route" or "calling transit system for ride reservations at least 24 hours in advance,” or "making ride reservations with county coordinator at least 2 hours in advance.") Explicitly describe how a member of the general public would be able to schedule a ride.

6. Fares (or recommended contributions) for these services shall be as follows: (specify fare/contribution structure) (OPTIONAL ‑ No persons shall be denied access based on inability to pay.) (Fares must be fair and reflect benefits of state and federal subsidies.)

7. Additional passenger transportation services may be provided on an incidental basis with no funding provided by (transit system) under this contract. Such services may include after hours transportation not‑open‑to‑public for clients of (providers). It may also include charter services to other groups provided such are eligible under FTA charter rules provided that eligibility of each charter trip is verified with (specify person from transit system*)* prior to operation. Such incidental services shall not exceed 20% of the total usage of any vehicle provided by (transit system) and shall be reported separately as noted below.

8. All services funded under this contract and all uses made of vehicles provided by (transit system) shall be insured by (specify provider or transit system) with the following coverage:

[Specify actual coverage which shall, at a minimum, meet or exceed:]

* Commercial Automobile Liability ‑ combined single limit $1,000,000 and
* Uninsured and Underinsured Motorist ‑ $1,000,000

C. Vehicle Responsibilities

1. Vehicle(s) for the provision of services described in this contract shall be supplied as follows:

a. From (Provider):

(List by ID, with size and type)

b. From (Transit System):

(List by ID, with size and type)

2. Vehicles supplied by (transit system) shall be subject to rotation with other vehicles in transit fleet in order to maintain a minimum annual mileage requirement for each vehicle in fleet and may be used for other transit system purposes.

3. Vehicles supplied by (provider) must comply with Iowa DOT vehicle signage requirements (in order for service statistics to count toward transit funding formulas): Iowa Department of Transportation, Office of Public Transit Vehicle Signage Requirements Policy, effective June 1, 2002, is included as part of this contract, by reference.

4. [Optional] Vehicles supplied by (transit system) may display the name or nickname of the contracted provider at the lower rear corner on each side of the vehicle, following the words, “operated by.” Lettering for this signage shall not exceed 50% of the height of the lettering used for the transit system name. No other signage is allowed for contracted providers unless included as part of paid advertising.

5. Responsibility for maintaining vehicles, supplied for provision of services under this contract, in safe and presentable condition shall be as follows:

a. Maintenance by (Provider):

(List vehicles to be maintained by provider and level of maintenance expected.)

b. Maintenance by (Transit System):

(Identify any maintenance responsibilities of transit system, including direct maintenance of any vehicles, oversight of maintenance activities, or no responsibility).

6. Vehicles used for provision of transit services under this contract shall be insured for general public transportation services to the levels described above by (specify provider or transit system) which shall provide to (other party) a certificate of insurance documenting this coverage and the fact the (other party) is named as an additional insured. Such insurance shall not be cancelled without at least 30 days written notice to (other party).

7. Note any backup vehicle arrangements.

8. No vehicle supplied by (transit system) may be used to provide exclusive school transportation.

D. Operations Responsibilities

1. Except for volunteers using their own vehicles, drivers for all transit services provided under this contract shall be employed by (provider) unless service is subcontracted as specified in Section M. All drivers, except for volunteers operating their own vehicles, of transit-funded vehicles shall be required to have either a commercial driver's license or chauffeur's license and shall have passed a pre-employment drug test and be part of a random drug and alcohol testing pool.

2. (Provider) shall establish a drug and alcohol testing program conforming to the rules of the Federal Transit Administration and shall require any transit service subcontractors to also have a testing program. No person may perform any safety-sensitive functions without being subject to testing under this program. Copies of the (provider’s) drug and alcohol testing policy shall be provided to the transit system and OPT for review. [RECOMMENDED – Any non-negative test result and any situation where tests have not been administered to an employee selected for random testing shall be reported to (transit system drug and alcohol program coordinator).]

3. Scheduling and dispatching support shall be provided by (specify party or specify distinct functions of each party). Explain how general public passengers are assigned to vehicles.

4. Training of operational personnel shall be provided by (specify party) and shall consist of (specify training components).

E. Other (Provider) Responsibilities

1. (Provider) shall serve as an independent contractor.

2. (Provider) shall maintain accounting and records for all services rendered and shall assure that all persons handling project funds, including passenger revenues, are bonded to levels appropriate for the amounts of funds handled.

3. (Provider) shall provide to (transit system) a (monthly) billing for services rendered in the previous (month) including a report of units of service provided and revenues credited toward the service from passengers and from other sources.

4. (Provider) shall secure an independent audit of its transportation program including services provided under this contract and shall provide a copy of the audit report to (transit system).

5. (Provider)shall permit inspection of its vehicles, services, books, and records by (transit system) or agencies providing funding to (transit system) upon the request of (transit system).

6. (Provider) shall accept all risk and indemnify and hold (transit system) harmless from all losses, damage, claims, demands, liabilities, suits, or proceedings, including court costs, attorney's and witness' fees relating to loss or damage to property or to injury or death of any person arising out of the acts or omissions of (provider) or its employees or agents.

7. (Provider) shall notify (transit system) in the event of any unavoidable interruption or delay in service. If service is unable to be provided as scheduled and agreed upon, without acceptable reason, (transit system) may impose the following penalties: (list any penalties to be imposed by transit system)

8. (Provider) shall notify (transit system) of any incidents relating to passengers serviced under this contract.

9. (Provider) shall comply with all applicable state and federal laws, including but not limited to FTA charter rule, drug and alcohol testing, student transportation rules, motor carrier registration, equal employment opportunity laws, affirmative action laws, nondiscrimination laws, traffic laws, motor vehicle equipment laws, confidentiality laws, and freedom of information laws.

10. (Provider) shall supply such additional public transit services to the general public or individual client groups as are requested, provided that capacity for such service exists and funding for such service based on the rate identified in G.3., below, is available.

11. [MUST BE EITHER PROVIDER OR TRANSIT SYSTEM (F.5. below) RESPONSIBILITY] (Provider) shall disseminate and advertise the availability of service provided under this contract as open to the general public, including route changes, setting fares, and reservations.

12. [RECOMMENDED - (Provider) shall participate on the Regional Transit Advisory Committee sponsored by (transit system or planning commission) and shall supply such information as is necessary for preparation of the annual Passenger Transportation Plan.]

13. [OPTIONAL - Unless this contract was awarded on a fully competitive basis, (provider) must comply with all state and federal requirements regarding competitive procurement.]

F. Other (Transit System) Responsibilities

1. (Transit System) shall provide operational subsides for public transit services under the terms identified in this contract.

2. (Transit System) shall, based on information supplied by (provider), other contractors and its own records, prepare all required reports to the Iowa Department of Transportation, Office of Public Transit.

3. (Transit System) shall assist (provider) as necessary in the design and scheduling of transit services to meet the needs of the service area.

4. (Transit System) shall accept all risk and indemnify and hold (provider) harmless from all losses, damage, claims, demands, liabilities, suits, or proceedings, including court costs, attorney's and witness' fees relating to loss or damage to property or to injury or death of any person arising out of the acts or omissions of (transit system) or its employees or agents.

5. [MUST BE EITHER PROVIDER (E.11. above) OR TRANSIT SYSTEM RESPONSIBILITY] (Transit System) shall disseminate and advertise the availability of service provided under this contract as open to the general public, including route changes, setting fares, and reservations.

G. Compensation

1. Fully‑allocated operating costs for services under this contract are estimated to be $\_\_\_\_\_\_\_ per (unit) based on a mutually estimated annual service level of \_\_\_\_\_ (units). [OPTIONAL ‑ *When transit system owns the vehicles, this clause may be used.* In addition there shall be a capital replacement surcharge of $\_\_\_\_ per (unit) which shall be placed in a reserve account for capital purchases of transit equipment.]

2. For the first of \_\_\_\_\_(units), subsidy by (Transit System) shall be at a rate of $\_\_\_\_\_\_\_\_\_ per (unit) net any passenger revenues. This reflects a subsidy of $\_\_\_\_\_\_\_\_\_ per (unit) from federal transit assistance funds specifically (specify which federal funding program will be used: Section 5310, 5311, JARC, New Freedom, Title IIIB), $\_\_\_\_\_ per (unit) from state transit assistance funds, and/or $\_\_\_\_\_ per (unit) from local funding. [OPTIONAL ‑ The $\_\_\_\_\_\_ per (unit) capital surcharge, when used in conjunction with federal transit assistance funds, shall be used as local match. These funds may also be used for 100% local purchases.] (*Any additional funding distributed by the Transit System should also be listed.)*

3. Explain what will happen in the case of a shortfall of anticipated funding or if contract revenues exceed actual fully allocated costs of the service.

4. (Units) of public transit service in excess of \_\_\_\_\_(#) shall require a compensation by (transit system or other parties) of $\_\_\_\_\_ per (unit) net any passenger revenues. [OPTIONAL ‑ plus the $\_\_\_\_\_per unit capital surcharge.]

5. All passenger revenues shall be applied to the costs of transportation services prior to application of federal transit funding and shall be considered to have expanded the level of services compared to what would be available without such resources.

6. The costs of services under this contract identified in G. 1., above, are based upon assumptions concerning costs of supplies and the existence of other transit service contracts. Should circumstances change to significantly increase costs of service under this contract, the rate of compensation may/shall be subject to renegotiation. Should circumstances change to reduce actual costs below the estimated level, any surplus funds shall be credited toward transportation services of (provider) during (next fiscal year). (*Last sentence is optional with private‑for‑profit providers.)*

7. Subsidy payments for public transit services under this contract shall be on a (specify reimbursement/advance payment) basis and shall be distributed to (provider) (specify a timeframe‑either in terms of response to billing or based on calendar dates).

H. Reporting

1. The following items shall be reported by (provider) with each billing statement:

(specify items desired)

2. a. Within 15 days after the end of each fiscal quarter (provider) shall furnish the following information concerning open‑to‑the‑public transportation services provided during the preceding quarter under this contract:

Total Rides

Rides by nondisabled elderly persons

Rides by disabled elderly persons

Rides by nonelderly disabled persons

Total Vehicle Miles

Total Revenue Miles

Total Passenger Revenue

Total Contract Revenue

Total Local Tax Support

Total STA (requested)

Total Federal Transit Assistance (requested)

Total Other Revenues

b. Within 15 days after the end of each fiscal quarter (provider) shall furnish information similar to that required in H.2.a. for any incidental services provided during the preceding quarter under the terms of B.7., above.

c. Within 15 days after the end of each fiscal quarter, if charter services have been provided, (provider) must provide a report of each charter trip including all information specified in FTA Charter Rule.

3. Within 30 days after the end of the state fiscal year (June 30) (provider) shall provide a separate year‑end summary of the data requested under H.2. for public services provided and for incidental services provided and shall show the total surplus/shortfall for each.

4. By February 1, (provider) shall report the prior calendar year’s results of its drug and alcohol testing program per FTA requirements.

5. The following items shall be reported to (transit system) on an on‑going basis:

* Accidents involving vehicles owned by (transit system)
* Incidents involving passengers carried under this contract
* Cancellations or significant delays in services provided under this contract
* Emergency use of subcontractors to avoid service interruptions

I. Entire Agreement

This contract contains the entire agreement between (provider) and (transit system). There are no other agreements or understandings, written or verbal that shall take precedence over the items contained herein unless made a part of this contract by amendment procedure.

J. Amendments

Any changes to this contract must be in writing and be mutually agreed upon by both (provider) and (transit system). Changes must also receive the concurrence of the Iowa Department of Transportation, Office of Public Transit.

K. Termination and Suspension

Cancellation or suspension of this contract may be initiated by either party through written notice to the other party at least 30 days prior to the date of cancellation or suspension.

L. Saving Clause

Should any provision of this contract be deemed unenforceable by a court of law, all other provisions shall remain in effect.

M. Assignability and Subcontracting

1. This contract is not assignable to any other party without the express written approval of the (provider) and the (transit system) and the concurrence of the Iowa Department of Transportation, Office of Public Transit.

2. No part of the transportation services described in this contract may be subcontracted by (provider) without the express written approval of (transit system) and the concurrence of the Iowa Department of Transportation, Office of Public Transit.

3. Not withstanding the provisions in M.1., above, it is hereby agreed that (provider) may under emergency circumstances temporarily subcontract any portion of the service if it is deemed necessary by (provider) to avoid a service interruption. (Transit System) shall be notified, in advance if possible, each time this provision is invoked.

ADOPTED BY THE PARTIES AS WITNESSED AND DATED BELOW, SUBJECT TO THE CONCURRENCE OF THE IOWA DEPARTMENT OF TRANSPORTATION, OFFICE OF PUBLIC TRANSIT. (*If concurrence from another funding agency is also needed, that information may be added.)*

For (Purchaser): For (Transit System):

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: Date:

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