

Finance Committee

February 15, 2023 | 4:00 p.m. – 5:30 p.m.



Onsite:

Greater Portland Transit District
114 Valley Street, Conference Room A | Portland, ME 04102

Remote:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/86823525528?pwd=QlFCdWtyWUtrTWtyVm9SRnFVYVBoQT09>

Passcode: 322025 | Webinar ID: 868 2352 5528

Phone: (646) 558-8656 | Telephone participants: *9 to raise hand, *6 to unmute

MEETING AGENDA

AGENDA ITEM	PRESENTER	ACTION or INFORMATION
1. Call Meeting to Order (4:00)	Paul Bradbury, Committee Chair	N/A
2. Public Comment (4:00-4:05) The Finance Committee welcomes public comment. For items NOT listed on this agenda, the chair will recognize speakers at this point on the agenda. For items on the agenda, the chair will recognize public comment following the staff presentation. There is a 3-minute time limit per speaker.	Paul Bradbury, Committee Chair	Information
3. Approval of Meeting Minutes (4:05-4:10) The committee will be asked to approve minutes from the October 5, 2002 meeting of the Finance Committee.	Paul Bradbury, Committee Chair	ACTION
4. 2022 Budget to Actual Update (4:10-4:25) Staff will provide an update on Budget to Actual results for FY 2022 (pre-audit)	Shelly Brooks, Finance Director	Information
5. Final Operating-Capital Budget (4:25-4:45) Staff will present the FY 2023 operating and capital budgets.	Shelly Brooks, Finance Director	ACTION
6. AVL Maintenance Agreement Renewal (4:45-5:00) Staff will provide information regarding a renewal contract with AVL provider.	Shelly Brooks, Finance Director	Information

<p>7. Future Agenda Items (5:00-5:10)</p> <p>Committee members may request future agenda items.</p> <ul style="list-style-type: none"> • Review board policies pertaining to procurement (TBD) • Comprehensive review of board policies (TBD) • Reassess cost/rev. allocation policies (TBD) • Long Range Financial Forecasting (Ongoing) 	<p>Paul Bradbury, Committee Chair</p>	<p>Information</p>
<p>8. Upcoming Meetings (5:10-5:15)</p> <ul style="list-style-type: none"> • Executive Committee – March 8, 2023 at 3:30 p.m. • Ridership Committee – TBD • Board of Directors – February 23, 2023 at 4:00 p.m. • Finance Committee – TBD 	<p>Paul Bradbury, Committee Chair</p>	<p>Information</p>
<p>9. Adjournment (5:15)</p>	<p>Paul Bradbury, Committee Chair</p>	<p>ACTION</p>

As of November 9, 2022 Greater Portland METRO is holding meetings of the Board of Directors (and its committees) in hybrid format, both in person at METRO's offices and via webinar. The remote portions of all meetings are conducted in accordance with the requirements of [METRO's Remote Participation Policy](#) (adopted August 25, 2022) as well as LD 1772, PL 2022 Ch. 666, and 1 MRSA Chapter 13, Subchapter 1.

FINANCE COMMITTEE

AGENDA ITEM 4

DATE

February 15, 2023

SUBJECT

2022 Budget to Actual- Year End (Pre-Audit)

PURPOSE

Provide information on the 2022 budget performance through year end December 31, 2022.

BACKGROUND/ANALYSIS

The 2022 comparative budget to actual report through December for revenue and expenditures is included in Attachment A.

Revenues

- Passenger Fare revenue collected at 126.4% of the budgeted amount, with a total of \$2,067,002. Although ridership is rebounding from the decrease due to COVID-19, the growth has plateaued around the high 60th percentile of pre-pandemic ridership. Staff are working to evaluate the reasoning for the slower than expected growth.
- Miscellaneous Revenue is over the budgeted amount by \$182,991. This is mostly contributed to an unanticipated increase in advertising revenue.
- Federal funding is under budgeted amounts by \$622,459. This is contributed to the higher amounts collected in Passenger and Miscellaneous revenue categories, reducing the expenses eligible to apply to Federal grants.

Expenditures

- Total wages and benefits paid is at 99.5% of the budgeted amounts, or about \$50k under budget. Although overtime and bonus wage lines are over budget, budgetary savings were achieved in Health Insurance and Retirement, which covered those overages.
- Services and Fees are at 105.2% of the budgeted amounts, or approximately \$40k over budget. Savings in advertising, snow removal, and custodial services offset some the overbudget lines for legal fees and maintenance services, and the unbudgeted amounts for temporary help. The variance in maintenance services can mostly be contributed to increased use of outside services for fleet body work. Additionally, administrative absences, mostly in quarter 4, facilitated the need for temporary help, which was an unbudgeted line.

- Fuel, fluids and tires are nearly right on target at 101.2% of budgeted amounts, or about \$2k over budget. Overages seen in CNG and Electricity as a Fuel were offset by savings in diesel, mostly due to timing of deliveries.
- Supplies and Equipment is 79.9% of budgeted amounts, or \$93k under budget mostly due to savings in the parts line item. Parts expense is down mostly due to fleet replacement. However, as buses age out of the warranty coverage, we expect to see some increases in this line item.
- Utilities are at 94.7% of budgeted amounts, or about \$42k under budget. This is mostly due to lower than anticipated electricity costs.
- Debt Service is 89.9% of budgeted amounts, or about \$26k under budget. Less than anticipated usage of the TAN for cash flow provided interest expense savings.

FISCAL IMPACT

- Total revenues were slightly over budgeted amounts by \$6,678. Total expenses were under budgeted amounts by about \$203k, which resulted in a budget to actual surplus of \$210,544. The annual audit is scheduled for the week of February 20th, and any final adjustments as a result of the audit may change the data reported here.

RECOMMENDATION

This item is for information and discussion.

CONTACT

Shelly Brooks

Finance Director

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ATTACHMENTS

Attachment A – 2022 Comparative Budget Worksheets

Greater Portland Transit District
2022 Comparative Budget to Actual - Expenditures
January 1 through December 31, 2022

**Includes Lease Expenditures*

Uses of Funds	2022 Budget	2022 Actual	Balance	% Exp	2021 Budget	2021 Actual	% Exp	2020 Budget	2020 Actual	% Exp	YTD 2022-2021	%
Personnel Expenses												
Wages												
Wages	\$ 6,266,549	\$ 5,818,519	\$ 448,030	92.9%	5,764,886	\$ 5,714,716	99.1%	\$ 5,406,838	\$ 5,615,565	103.9%	\$ 103,803	1.8%
Overtime	537,934	882,050	(344,116)	164.0%	524,684	345,709	65.9%	544,499	453,985	83.4%	536,341	155.1%
Add'l Pay (PTO payout, Hlth opt out)	67,675	315,847	(248,172)	466.7%	77,635	63,478	81.8%	71,584	63,985	89.4%	252,369	397.6%
Holiday Pay - Worked	118,525	131,270	(12,745)	110.8%	93,929	100,256	106.7%	62,182	94,520	152.0%	31,013	30.9%
Total Wages	6,990,683	7,147,685	(157,002)	102.25%	6,461,134	6,224,160	96.3%	6,085,103	6,228,055	102.3%	923,525	14.8%
Benefits												
FICA	534,729	530,561	4,168	99.2%	494,314	552,282	111.7%	465,243	368,092	79.1%	(21,720)	-3.9%
Health Ins	1,544,929	1,396,591	148,338	90.4%	1,477,917	1,401,771	94.8%	1,424,343	1,397,007	98.1%	(5,180)	-0.4%
HRA Payments	80,000	72,434	7,566	90.5%	80,000	87,893	109.9%	70,000	74,726	106.8%	(15,460)	-17.6%
Dental Ins	71,996	65,550	6,446	91.0%	69,112	64,478	93.3%	70,932	59,330	83.6%	1,072	1.7%
Disability Ins	56,670	59,618	(2,948)	105.2%	47,363	49,121	103.7%	52,032	41,124	79.0%	10,497	21.4%
Life Ins	2,630	2,349	281	89.3%	1,880	2,363	125.7%	3,761	1,730	46.0%	(15)	-0.6%
Workers Comp	174,760	181,371	(6,611)	103.8%	171,332	171,347	100.0%	134,431	133,174	99.1%	10,024	5.9%
Unemployment	3,000	4,311	(1,311)	143.7%	-	39	n/a	-	14,080	n/a	4,272	11068.4%
Vision Ins	2,702	2,847	(145)	105.4%	2,785	2,953	106.0%	2,940	2,580	87.8%	(106)	-3.6%
Retirement	448,289	410,184	38,105	91.5%	402,283	356,029	88.5%	340,570	335,523	98.5%	54,155	15.2%
Uniforms	34,650	22,376	12,274	64.6%	33,000	31,541	95.6%	34,050	21,282	62.5%	(9,165)	-29.1%
NJ Workforce Development	-	-	-	n/a	-	-	n/a	-	-	n/a	-	n/a
Contract reimbursements	-	-	-	n/a	-	-	n/a	-	11,691	n/a	-	n/a
Total Benefits	2,954,355	2,748,192	206,162	93.0%	2,779,986	2,719,818	97.8%	2,598,302	2,460,339	94.7%	28,375	1.0%
Total Wages & Benefits	9,945,038	9,895,878	49,160	99.5%	9,241,120	8,943,978	96.8%	8,683,405	8,688,394	100.1%	951,900	10.6%
Non-Personnel Expenses												
Services and Fees												
Tuition Reimbursement	5,000	2,955	2,045	59.1%	-	975	n/a	-	-	n/a	1,980	203.1%
Wellnes Program	4,500	1,789	2,711	39.8%	2,500	2,563	102.5%	2,500	1,499	60.0%	(774)	-30.2%
Legal Fees	33,500	49,587	(16,087)	148.0%	33,500	75,765	226.2%	30,000	41,195	137.3%	(26,178)	-34.6%
Audit Fees	24,500	23,500	1,000	95.9%	21,000	20,500	97.6%	21,000	20,000	95.2%	3,000	14.6%
Arch & Engineer Fees	7,500	-	7,500	0.0%	-	1,861	n/a	-	-	n/a	(1,861)	-100.0%
Temporary Help	0	46,915	(46,915)	n/a	-	21,810	n/a	-	-	n/a	25,105	115.1%
Employment Services	11,000	13,898	(2,898)	126.3%	10,725	6,754	63.0%	11,762	7,402	62.9%	7,144	105.8%
Benefit Administration Fees	7,204	8,514	(1,310)	118.2%	7,204	7,759	107.7%	7,336	8,571	116.8%	755	9.7%
Technology Services	176,119	175,183	936	99.5%	154,175	128,586	83.4%	143,905	108,397	75.3%	46,597	36.2%
Bank and CC Fees	25,000	20,622	4,378	82.5%	44,205	19,645	44.4%	51,525	11,793	22.9%	976	5.0%
Advertising	127,500	86,862	40,638	68.1%	57,500	21,569	37.5%	58,000	38,727	66.8%	65,293	302.7%
Postage	4,934	2,254	2,680	45.7%	4,930	2,130	43.2%	3,755	4,619	123.0%	124	5.8%
Other Contracted Services - Operations	68,100	72,885	(4,785)	107.0%	76,260	58,658	76.9%	99,600	256	0.3%	14,226	24.3%
Other Contracted Services- HR	-	-	-	n/a	2,500	-	0.0%	2,000	20,965	1048.3%	-	n/a
Other Svc- Veh Maint Training	5,000	-	5,000	0.0%	-	1,880	n/a	-	-	n/a	(1,880)	-100.0%
Other Contracted Services- Cust Rel	-	-	-	n/a	17,000	-	0.0%	11,000	4,466	40.6%	-	n/a
Other Contracted Services Mktg	65,000	62,308	2,692	95.9%	15,500	9,390	60.6%	16,250	13,528	83.2%	52,918	563.6%
Other Contracted Services	12,500	13,794	(1,294)	110.4%	12,500	3,120	25.0%	13,700	7,500	54.7%	10,675	342.2%

Greater Portland Transit District
2022 Comparative Budget to Actual - Expenditures
January 1 through December 31, 2022

**Includes Lease Expenditures*

Uses of Funds	2022				2021			2020			YTD	
	Budget	Actual	Balance	% Exp	Budget	Actual	% Exp	Budget	Actual	% Exp	2022-2021	%
Other Contracted Services	-	350	(350)	n/a	10,000	-	0.0%	-	8,810	n/a	350	n/a
Real Estate Broker Services	15,000	63,783	(48,783)	425.2%	-	-	n/a	-	-	n/a	63,783	n/a
Software Lic	3,950	2,690	1,260	68.1%	2,995	3,424	114.3%	2,020	3,634	179.9%	(734)	-21.4%
Office Machine Maintenance	5,000	6,236	(1,236)	124.7%	5,596	2,862	51.1%	5,732	4,997	87.2%	3,374	117.9%
Maintenance Services	151,664	178,638	(26,974)	117.8%	127,964	144,593	113.0%	124,214	123,626	99.5%	34,046	23.5%
Maintenance Services- Accident Repair	-	-	-	n/a	-	-	n/a	-	-	n/a	-	n/a
Snow Plowing and Removal Svc	22,000	3,625	18,375	16.5%	9,000	-	0.0%	9,000	1,610	17.9%	3,625	n/a
Custodial Services	40,000	21,734	18,266	54.3%	50,000	-	0.0%	-	-	n/a	21,734	n/a
Miscellaneous Services	3,100	2,361	739	76.2%	3,800	4,891	128.7%	3,420	1,502	43.9%	(2,530)	-51.7%
Total Services and Fees	818,071	860,482	(42,411)	105.2%	668,854	538,737	80.5%	616,719	433,097	70.2%	321,746	59.7%
Fuel-Fluids-Tires												
CNG Fuel	99,500	106,653	(7,153)	107.2%	100,000	99,606	99.6%	294,000	96,442	32.8%	7,047	7.1%
Diesel Fuel	405,600	386,878	18,722	95.4%	527,850	439,224	83.2%	392,812	435,724	110.9%	(52,346)	-11.9%
Electricity- Fuel	5,000	9,732	-	194.6%	-	-	n/a	-	-	n/a	9,732	n/a
Greases and Fluids	51,900	64,174	(12,274)	123.7%	53,400	55,298	103.6%	51,857	40,751	78.6%	8,877	16.1%
Tires and Tubes	58,375	60,245	(1,870)	103.2%	56,000	66,285	118.4%	56,000	46,670	83.3%	(6,040)	-9.1%
Total Fuel, Tires and Fluids	620,375	627,682	(2,575)	101.2%	737,250	660,413	89.6%	794,669	619,587	78.0%	(32,731)	-5.0%
Supplies & Equipment												
Shop Supplies	42,000	31,355	10,645	74.7%	64,259	31,721	49.4%	31,000	70,587	227.7%	(365)	-1.2%
Shelter Supplies	3,000	3,658	(658)	121.9%	2,000	6,798	339.9%	5,000	387	7.7%	(3,140)	-46.2%
Building Supplies	45,000	31,468	13,532	69.9%	45,000	32,793	72.9%	45,000	37,356	83.0%	(1,326)	-4.0%
HR Supplies	-	-	-	n/a	-	5,402	n/a	-	-	n/a	(5,402)	-100.0%
IT Supplies	2,000	609	1,391	30.4%	2,000	861	43.1%	2,000	2,708	135.4%	(252)	-29.3%
Supplies Cust Rel & Promo	10,500	13,120	(2,620)	125.0%	12,000	5,816	48.5%	41,750	7,004	16.8%	7,304	125.6%
Office Supplies	17,500	20,981	(3,481)	119.9%	17,500	15,234	87.0%	19,000	16,160	85.1%	5,748	37.7%
Fare Media	11,000	1,690	9,310	15.4%	11,000	5,720	52.0%	2,300	1,254	54.5%	(4,030)	-70.5%
Parts	301,350	230,161	71,189	76.4%	287,000	224,868	78.4%	296,000	307,729	104.0%	5,292	2.4%
Parts- Accident Repair	0	9,691	(9,691)	n/a	-	12,965	n/a	-	-	n/a	(3,274)	-25.3%
Veh Ops Eq- Other Supplies	5,000	-	5,000	0.0%	-	197	n/a	-	8,900	n/a	(197)	-100.0%
Minor Equipment	28,000	28,926	(926)	103.3%	22,241	32,229	144.9%	13,000	9,254	71.2%	(3,302)	-10.2%
Total Supplies and Equipment	465,350	371,659	93,691	79.9%	463,000	374,603	80.9%	455,050	461,338	101.4%	(2,944)	-0.8%
Utilities												
Heating Fuel	163,686	165,246	(1,560)	101.0%	158,034	108,545	68.7%	188,100	111,665	59.4%	56,702	52.2%
Electricity	157,330	121,647	35,683	77.3%	129,686	106,997	82.5%	139,110	102,654	73.8%	14,650	13.7%
Water/Sewer/Stormwater	44,610	36,086	8,524	80.9%	40,965	33,788	82.5%	38,072	31,137	81.8%	2,299	6.8%
Phone/Cell/Internet	62,539	63,660	(1,121)	101.8%	69,308	52,878	76.3%	63,272	55,384	87.5%	10,783	20.4%
Real Estate Taxes	32,000	35,302	(3,302)	110.3%	-	8,643	n/a	-	-	n/a	26,659	308.4%
Operating Lease	329,688	326,083	3,605	98.9%	-	54,167	n/a	-	-	n/a	271,917	502.0%
Total Utilities	789,853	748,025	41,828	94.7%	397,993	365,017	91.7%	428,554	300,840	70.2%	383,008	104.9%
Insurance												
Auto/Liability Insurance	369,884	364,131	5,753	98.4%	322,829	325,138	100.7%	273,541	299,877	109.6%	38,993	12.0%
Total Insurance	369,884	364,131	5,753	98.4%	322,829	325,138	100.7%	273,541	299,877	109.6%	38,993	12.0%

Greater Portland Transit District
2022 Comparative Budget to Actual - Expenditures
January 1 through December 31, 2022

**Includes Lease Expenditures*

Uses of Funds	2022 Budget	2022 Actual	Balance	% Exp	2021 Budget	2021 Actual	% Exp	2020 Budget	2020 Actual	% Exp	YTD 2022-2021	%
Miscellaneous Expenses												
Dues and Subscriptions	28,890	29,382	(492)	101.7%	26,937	28,439	105.6%	23,652	24,738	104.6%	944	3.3%
Conferences and Travel	19,430	9,504	9,926	48.9%	13,440	9,976	74.2%	18,888	4,414	23.4%	(472)	-4.7%
Meals and Hosting	8,500	10,460	(1,960)	123.1%	7,500	5,993	79.9%	10,000	9,506	95.1%	4,467	74.5%
Liscenses and Permits	1,430	575	855	40.2%	1,430	576	40.3%	1,440	374	26.0%	(1)	-0.2%
Total Misc	58,250	49,921	8,329	85.7%	49,307	44,984	91.2%	53,980	39,032	72.3%	4,937	11.0%
ADA Paratransit Services												
ADA Paratransit Services	425,000	408,210	16,790	96.0%	450,000	350,479	77.9%	450,000	290,551	64.6%	57,731	16.5%
Total ADA Paratransit Services	425,000	408,210	16,790	96.0%	450,000	350,479	77.9%	450,000	290,551	64.6%	57,731	16.5%
Debt Service												
Interest Expense	80,838	54,324	26,514	67.2%	114,640	48,994	42.7%	84,946	69,395	81.7%	5,330	10.9%
Debt Service Principal	182,500	182,500	-	100.0%	182,500	182,500	1	240,254	436,257	181.6%	-	0.0%
Total Debt Service	263,338	236,824	26,514	89.9%	297,140	231,494	77.9%	325,200	505,652	155.5%	5,330	2.3%
Capital & Reserves												
Contribution to Unrest Balance	45,000	-	45,000	0.0%	45,000	45,000	100.0%	45,000	-	0.0%	(45,000)	-100.0%
Transfers	-	2,935	(2,935)	n/a	-	95,734	n/a	-	-	n/a	(92,799)	-96.9%
GF Cap Outlay for Oth Cap Itms	155,460	155,460	-	100.0%	106,649	106,649	100.0%	25,162	25,162	100.0%	48,811	45.8%
GF Cap Outlay for Service Vehcile	-	30,547	(30,547)	n/a	-	-	-	-	-	-	-	-
Total Capital	200,460	188,942	11,518	94.3%	151,649	247,383	163.1%	70,162	25,162	35.9%	(88,988)	-36.0%
Total Non-Personnel Expenses	4,010,581	3,855,876	154,705.18	96.1%	3,538,022	3,138,247	88.7%	3,467,875	2,975,136	85.8%	717,629	22.9%
Total	\$ 13,955,619	\$ 13,751,753	\$ 203,865	98.5%	12,779,142	\$ 12,082,225	94.5%	\$ 12,151,280	\$ 11,663,530	96.0%	\$ 1,669,529	13.8%

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Greater Portland Transit District
2022 Comparative Budget to Actual - Revenue
January 1 through December 31, 2022
*Includes Lease Revenues

Sources of Funds	2022 Budget	2022 YTD Coll	2022 Balance	% Coll	2021 Budget	2021 YTD Coll	% Coll	2020 Budget	2020 YTD Coll	% Coll	YTD 2022-2021	%
Passenger Fares												
Passenger Fares	\$ 1,067,511	\$ 1,325,270	\$ (257,759)	124.1%	\$ 1,757,606	\$ 1,140,893	64.9%	\$ 2,273,440	\$ 564,588	24.8%	\$ 184,378	13.9%
Organization Paid Fares	601,098	783,388	(182,290)	130.3%	309,396	244,234	78.9%	716,117	194,268	27.1%	539,154	68.8%
Total Passenger Fares	1,668,609	2,108,658	(440,049)	126.4%	2,067,002	1,385,126	67.0%	2,989,557	758,856	25.4%	723,532	34.3%
		2,019,658										
Miscellaneous Revenue												
Advertising Revenue	195,000	349,816	(154,816)	179.4%	195,000	194,244	99.6%	292,000	165,793	56.8%	155,572	44.5%
Vehicle Maint Services	5,000	6,000	(1,000)	120.0%	5,675	9,915	174.7%	8,000	6,776	84.7%	(3,915)	-65.3%
Sale of Fuel	22,800	7,868	14,932	34.5%	10,000	15,884	158.8%	45,000	14,449	32.1%	(8,016)	-101.9%
Interest Income	15,000	48,027	(33,027)	320.2%	20,000	6,109	30.5%	25,000	14,219	56.9%	41,918	87.3%
Reimbursement of Autofare Fees	13,286	13,887	(601)	104.5%	15,154	10,088	66.6%	21,283	-	0.0%	3,799	27.4%
Wellness Grant	6,000	1,284	4,716	21.4%	-	3,014	n/a	-	-	n/a	(1,730)	-134.8%
Training Grant	-	1,872	(1,872)	n/a	-	-	n/a	-	-	n/a	1,872	100.0%
Miscellaneous Income	8,900	29,427	(20,527)	330.6%	8,400	20,462	243.6%	7,000	188,047	2686.4%	8,965	30.5%
Rental of Property	136,416	89,387	47,029	65.5%	28,529	40,228	141.0%	41,750	41,750	100.0%	49,159	55.0%
Claims Recovery	-	37,826	(37,826)	n/a	-	14,807	n/a	-	-	n/a	23,019	60.9%
Total Miscellaneous Revenue	402,402	585,393	(182,991)	145.5%	282,758	314,751	111.3%	440,033	431,034	98.0%	270,641	46.2%
Municipal Funding												
Municipal Payments for Oper	33,000	33,000	-	100.0%	17,500	33,000	188.6%	35,000	33,000	94.3%	-	0.0%
Municipal Payments for Cap	-	-	-	n/a	-	-	n/a	-	-	n/a	-	n/a
Municipal Payments for ADA	85,000	83,088	1,912	97.8%	90,000	71,756	79.7%	92,000	59,471	64.6%	11,331	13.6%
Municipal Assessment for Oper	4,289,182	4,289,182	-	100.0%	4,171,355	4,171,355	100.0%	4,084,716	4,084,717	100.0%	117,827	2.7%
Municipal CARES Credit	-	-	-	n/a	(351,661)	(351,661)	100.0%	-	(375,000)	n/a	351,661	n/a
Municipal Assessment for Cap	155,460	155,460	-	100.0%	106,649	106,649	100.0%	25,162	25,162	100.0%	48,811	31.4%
Municipal Assessment for Cap- Service Vehicle	-	8,000	(8,000)									
Total Municipal Funding	4,562,642	4,568,730	(6,088)	100.1%	4,033,843	4,031,099	99.9%	4,236,878	3,827,350	90.3%	537,630	11.8%
State Funding												
State Operating Subsidy	170,426	170,426	-	100.0%	170,426	170,426	100.0%	170,426	170,426	100.0%	-	0.0%
State Operating Subsidy- Lease	227,334	227,344	(10)	100.0%	-	37,500	n/a	-	-	n/a	189,844	83.5%
Total State Funding	397,760	397,770	(10)	100.0%	170,426	207,926	122.0%	170,426	170,426	100.0%	189,844	47.7%
Federal Funding												
Federal Operating Assistance	3,477,838	3,247,517	230,321	93.4%	2,639,528	2,424,171	91.8%	2,228,386	2,176,812	97.7%	823,346	25.4%
Federal Transit West Operating Assistance	174,000	219,674	(45,674)	126.2%	824,000	650,000	78.9%	824,000	519,633	63.1%	(430,326)	-195.9%
Federal CARES funding	1,907,368	1,400,000	507,368	73.4%	1,486,661	2,039,840	137.2%	-	3,861,373	n/a	(639,840)	-45.7%
Federal Prev Maint Assistance	1,025,000	1,107,990	(82,990)	108.1%	914,924	944,263	103.2%	895,000	612,720	68.5%	163,727	14.8%
Federal Paratransit Assistance	340,000	326,566	13,434	96.0%	360,000	280,383	77.9%	367,000	106,726	29.1%	46,183	14.1%
Total Federal Revenue	6,924,206	6,301,747	622,459	91.0%	6,225,113	6,338,657	101.8%	4,314,386	7,277,264	168.7%	(36,910)	-0.6%
Total Revenue	\$ 13,955,619	\$ 13,962,297	\$ (6,678)	100.05%	\$ 12,779,142	\$ 12,277,560	96.1%	\$ 12,151,280	\$ 12,464,929	102.6%	\$ 1,684,737	12.1%
		0										
Total Expenditures		13,751,753				12,082,225			11,663,530			
Net Revenue less Expenditures		\$ 210,544				\$ 195,335			\$ 801,400			

Greater Portland Transit District
2022 Expenditure and Revenue Report - 151 St John Street Lease
 January 1 through December 31, 2022

Uses of Funds	2022				2021			
	Budget	Actual	Balance	% Exp	Budget	Actual	Balance	% Exp
Non-Personnel Expenses								
Services and Fees								
Legal Fees	\$ -	\$ 6,095	\$ (6,095)	n/a	\$ -	\$ -	\$ -	n/a
Arch & Engineer Fees	-	-	-	n/a	-	1,511	(1,511)	n/a
Real Estate Taxes	32,000	35,302	(3,302)	110.3%	-	8,643	(8,643)	n/a
Operating Lease	329,688	326,083	3,605	98.9%	-	54,167	(54,167)	n/a
Maintenance Services	17,000	4,298	12,702	25.3%	-	2,405	(2,405)	n/a
Snow Plowing and Removal Svc	13,000	-	13,000	0.0%	-	-	-	n/a
Contracted Services	15,000	63,783	(48,783)	425.2%	-	-	-	n/a
Total Services and Fees	406,688	435,560	(28,872)	107.1%	-	66,726	(66,726)	n/a
Supplies & Equipment								
Building Supplies	-	714	(714)	n/a	-	797	(797)	n/a
Minor Equipment	-	-	-	n/a	-	-	-	n/a
Total Supplies and Equipment	-	714	(714)	n/a	-	797	(797)	n/a
Utilities								
Heating Fuel	10,000	8,535	1,465	85.3%	-	425	(425)	n/a
Electricity	24,000	7,176	16,824	29.9%	-	1,217	(1,217)	n/a
Water/Sewer/Stormwater	6,000	5,982	18	99.7%	-	1,004	(1,004)	n/a
Phone/Cell/Internet	-	-	-	n/a	-	-	-	n/a
Total Utilities	40,000	21,693	18,307	54.2%	-	2,646	(2,646)	n/a
Insurance								
Auto/Liability Insurance	8,000	18,377	(10,377)	229.7%	-	-	-	n/a
Total Insurance	8,000	18,377	(10,377)	229.7%	-	-	-	n/a
Miscellaneous Expenses								
	-	-	-	n/a	-	-	-	n/a
	-	-	-	n/a	-	-	-	n/a
	-	-	-	n/a	-	-	-	n/a
	-	-	-	n/a	-	-	-	n/a
Total Misc	-	-	-	n/a	-	-	-	n/a
Total Expenses	454,688	476,344	(21,656)	104.8%	-	70,169	(70,169)	n/a
Sources of Funds								
	2022 Budget	2022 YTD Coll	2022 Balance	% Coll	2021 Budget	2021 YTD Coll	2021 Balance	% Coll
Miscellaneous Revenue								
Rental of Property	136,416	89,387	(47,029)	65.5%	-	1,000	1,000	n/a
Total Miscellaneous Revenue	136,416	89,387	(47,029)	65.5%	-	1,000	1,000	n/a
Municipal Funding								
Municipal Assessment for Oper	90,938	90,938	-	100.0%	-	-	-	n/a
Total Municipal Funding	90,938	90,938	-	100.0%	-	-	-	n/a
State Funding								
State Operating Subsidy- Lease	227,334	227,344	(10)	100.0%	-	37,500	(37,500)	n/a
Total State Funding	227,334	227,344	(10)	100.0%	-	37,500	(37,500)	n/a
Federal Funding								
Federal Operating Assistance	-	-	-	n/a	-	-	-	n/a
Total Federal Revenue	-	-	-	n/a	-	-	-	n/a
Total Revenue	\$ 454,688	\$ 407,669	\$ (47,039)	89.7%	\$ -	\$ 38,500	\$ (36,500)	n/a
Total Expenditures		476,344				70,169		
Net Revenue less Expenditures		\$ (68,676)				\$ (31,669)		



FINANCE COMMITTEE

AGENDA ITEM 5

DATE

February 15, 2023

SUBJECT

2023 Operating Budget

PURPOSE

Review revisions and approve final 2023 Operating Budget.

BACKGROUND/ANALYSIS

The Board approved the preliminary FY 2023 budget and municipal assessments on October 27, 2022. In accordance with state statute, Metro staff submitted the preliminary budget and municipal assessments to the member municipalities by November 1, 2022 for the required 30-day review period. Either by action or non-action, all municipalities approved Metro's proposed method of allocating municipal contributions. At this stage, state statute requires Metro to approve a final budget before March 1. Following this board approval at the February 23rd Board of Directors meeting, Metro will provide each municipality the required "warrants for taxes" by April 1. Municipal payments are payable within 30 days following the commencement of the municipalities' 2023-24 fiscal year.

The Board of Directors approved the 2023 Operating Budget at the October 27, 2022 Board Meeting. The total operating budget is increasing by 4.2% from \$13,955,619 (FY 2022) to \$14,536,927 (FY 2023).

Staff is submitting a revised 2023 Operating Budget for approval, due to staffing changes and reconfiguration of the Human Resources Department, along with revised estimates for fuel and services, which is explained in further detail below. The municipal contributions remain unchanged from the preliminary budget.

Revenue Changes

1. Miscellaneous Revenue- The 2023 budget was revised to reduce sale of fuel by \$3,000. This is based on 2022 actual revenue collected.
2. Federal Funding- 2023 budget was revised to increase FTA Section 5307 formula funding for operations, as well as CARES Act funding based on a higher than anticipated remaining balance from the existing grant.

Expenditure Changes

1. Personnel – The 2022 budget for wages is revised to \$7,121,866, an increase of \$80,966. This increase is based on restructuring of the Human Resources Department, and reclassification of two positions. Additionally, the increase reflects the addition of the Procurement Manager for $\frac{3}{4}$ of the year, a position that was initially presented as frozen for this budget year. Finally, the increase also reflects a proposed addition of an Administrative Assistant position.
2. Benefits – The 2023 budget for benefits is revised to \$3,011,731, an increase of \$5,604. The increase in FICA and Retirement benefits associated with the wage increase is \$11,457. There is an additional increase associated with expected unemployment costs in 2023. Health and dental insurance both decreased based on actual increases being lower than anticipated.
3. Services and Fees – 2023 budget for services and fees is revised to \$892,871, an increase of \$43,729. Several line items have been adjusted upward and downward based on year end actuals, and usage trends from 2022. A budget amount of \$30,000 is added for temporary help anticipated through Q1 of 2023. Additionally, an increase of \$17,500 was added to the fleet maintenance services line for contracted for body work and paint repairs on buses.
4. Fuel-Fluids-Tires – 2023 budget for fuel, fluids and tires is revised to \$823,718, and increase of \$43,084. Given the volatile market for fuel pricing, and the expiration of the district's fuel contract in late summer of 2023, the estimated price for a renewal diesel contract has been increased to \$4.25/gal from \$3.50/gal.
5. Supplies and Equipment – 2023 budget for supplies is revised to \$397,000, a decrease of \$41,350. Due to the fleet replacement program, parts costs for repair of buses has been decreasing over the past couple of years. As those buses exit the warranty coverage period, staff expect this cost to rebound, but feel the revised estimate is realistic for 2023.
6. Debt Service – 2023 budget for debt service is revised to \$331,328, an increase of \$30,000. This revised estimate is due to the interest rate for short-term borrowing being about 1% higher than the initial estimate.
7. 151 St. John Street – 2023 budget for the lease property is revised to reflect actual costs for insurance, CAM fees and property taxes. This adjustment reduced the estimated surplus from \$115,584 to \$95,185.

FISCAL IMPACT

As described above and in Attachment A. As presented below, the local contributions needed to support the revised budget are unchanged since the Board adopted the budget in October 2022.

Municipalities	2021	2022	\$ +/-	% +/-	2023	\$ +/-	% +/-	Notes
	Actual	Projected			Budget			
Base Bus Budget: Operating								
Brunswick	80,872	81,393	521	0.6%	84,812	3,419	4.2%	1
Falmouth	211,922	213,288	1,366	0.6%	222,246	8,958	4.2%	
Freeport	80,872	81,393	521	0.6%	84,812	3,419	4.2%	
Portland	2,944,856	2,963,839	18,983	0.6%	3,088,320	124,481	4.2%	
Westbrook	771,962	776,938	4,976	0.6%	809,570	32,631	4.2%	
Yarmouth	80,872	81,393	521	0.6%	84,812	3,419	4.2%	
Total	4,171,355	4,198,244	26,889	0.6%	4,374,570	176,326	4.2%	
Base Bus Budget: Capital Program								
Brunswick	2,063	3,014	951	46.1%	2,423	(591)	-19.6%	2
Falmouth	5,407	7,898	2,491	46.1%	6,351	(1,547)	-19.6%	
Freeport	2,063	3,014	951	46.1%	2,423	(591)	-19.6%	
Portland	75,134	109,750	34,617	46.1%	88,246	(21,504)	-19.6%	
Westbrook	19,695	28,770	9,074	46.1%	23,133	(5,637)	-19.6%	
Yarmouth	2,063	3,014	951	46.1%	2,423	(591)	-19.6%	
Total	106,426	155,460	49,034	46.1%	125,000	(30,460)	-19.6%	
151 St. John's Street								
Brunswick	-	1,763	1,763	n/a	1,820	57	3.2%	3
Falmouth	-	4,620	4,620	n/a	4,769	149	3.2%	
Freeport	-	1,763	1,763	n/a	1,820	57	3.2%	
Portland	-	64,200	64,200	n/a	66,263	2,064	3.2%	
Westbrook	-	16,829	16,829	n/a	17,370	541	3.2%	
Yarmouth	-	1,763	1,763	n/a	1,820	57	3.2%	
Total	-	90,938	90,938	n/a	93,861	2,923	100.0%	
ADA Paratransit								
Brunswick	-	-	-	0.0%	-	-	0.0%	4
Falmouth	477	563	86	18.0%	552	(11)	-2.0%	
Freeport	-	-	-	0.0%	-	-	0.0%	
Portland	57,516	67,895	10,379	18.0%	66,522	(1,373)	-2.0%	
Westbrook	14,013	16,542	2,529	18.0%	16,207	(335)	-2.0%	
Yarmouth	-	-	-	0.0%	-	-	0.0%	
Total	72,006	85,000	12,994	18.0%	83,281	(1,719)	-2.0%	
Total Municipal Expense								
Brunswick	82,935	86,170	3,235	3.9%	89,055	2,885	3.3%	5
Falmouth	217,806	226,369	8,563	3.9%	233,917	7,548	3.3%	
Freeport	82,935	86,170	3,235	3.9%	89,055	2,885	3.3%	
Portland	3,077,506	3,205,684	128,178	4.2%	3,309,352	103,668	3.2%	
Westbrook	805,670	839,079	33,408	4.1%	866,280	27,201	3.2%	
Yarmouth	82,935	86,170	3,235	3.9%	89,055	2,885	3.3%	
Total	4,349,787	4,529,642	179,855	4.1%	4,676,712	147,070	3.2%	

RECOMMENDATION

Approve the 2023 Operating and Capital Budgets as presented in Attachments A and B.

ATTACHMENTS

Attachment A – 2023 Operating Budget

Attachment B – 2023-2027 Capital Improvement Program



2023

Operating Budget



**Greater Portland
Transit District**

Fiscal Year 2023 1/1/2023 - 12/31/2023

Greater Portland Transit District

www.gpmetro.org

Main Offices
114 Valley Street
Portland, Maine 04102
207-774-0351

Downtown Transit Hub (Pulse)
21 Elm Street
Portland, Maine 040101
207-774-0351

2022-2023 Board of Directors

2022-2023 Officers

President, Michael Foley, Westbrook
Vice-President, Nat Tupper, Yarmouth
Treasurer, Paul Bradbury, Portland
Secretary, John Thompson, Jr., Westbrook

2022-2023 Members

Ryan Leighton, Brunswick
Hope Cahan, Falmouth
Merrill Barter, Falmouth
William Rixon, Freeport
Pious Ali, Portland
Jeff Levine, Portland
Ed Suslovic, Portland
Andrew Zarro, Portland
Prosper Lohomboli, Westbrook

Agency Staff

Greg Jordan, Executive Director
Glenn Fenton, Chief Transportation Officer
Shelly Brooks, Chief Financial Officer
Mike Tremblay, Transit Development Director

CURRENT MISSION, VALUES, AND STRATEGIC PRIORITIES

Approved in 2016 (to be updated in 2023)

MISSION

Provide safe, frequent, efficient, reliable, and affordable transportation throughout the Greater Portland Region.

CORE VALUES

- We are committed to **SAFETY** – the safety of our customers, employees and the general public is priority number one.
- We are connected to our **CUSTOMERS** – Our customers are our top stakeholders in designing and providing a transit system that meets their transportation needs.
- We act with **INTEGRITY** – We work to uphold the highest standards of fairness, transparency, accountability, dependability and respect.
- We pursue **SUSTAINABILITY** – We strive to be responsible stewards of the environment and advocates of transit-oriented regional economic growth and a strong community.

STRATEGIC PRIORITIES

Priority 1 – Maintain what we have

Protect today's service through a well-equipped and developed staff and properly maintained and managed physical assets.

Priority 2 – Increase service levels in Metro's core service area

Improve frequency and hours of operation where ridership demand reasonably warrants within the current service area.

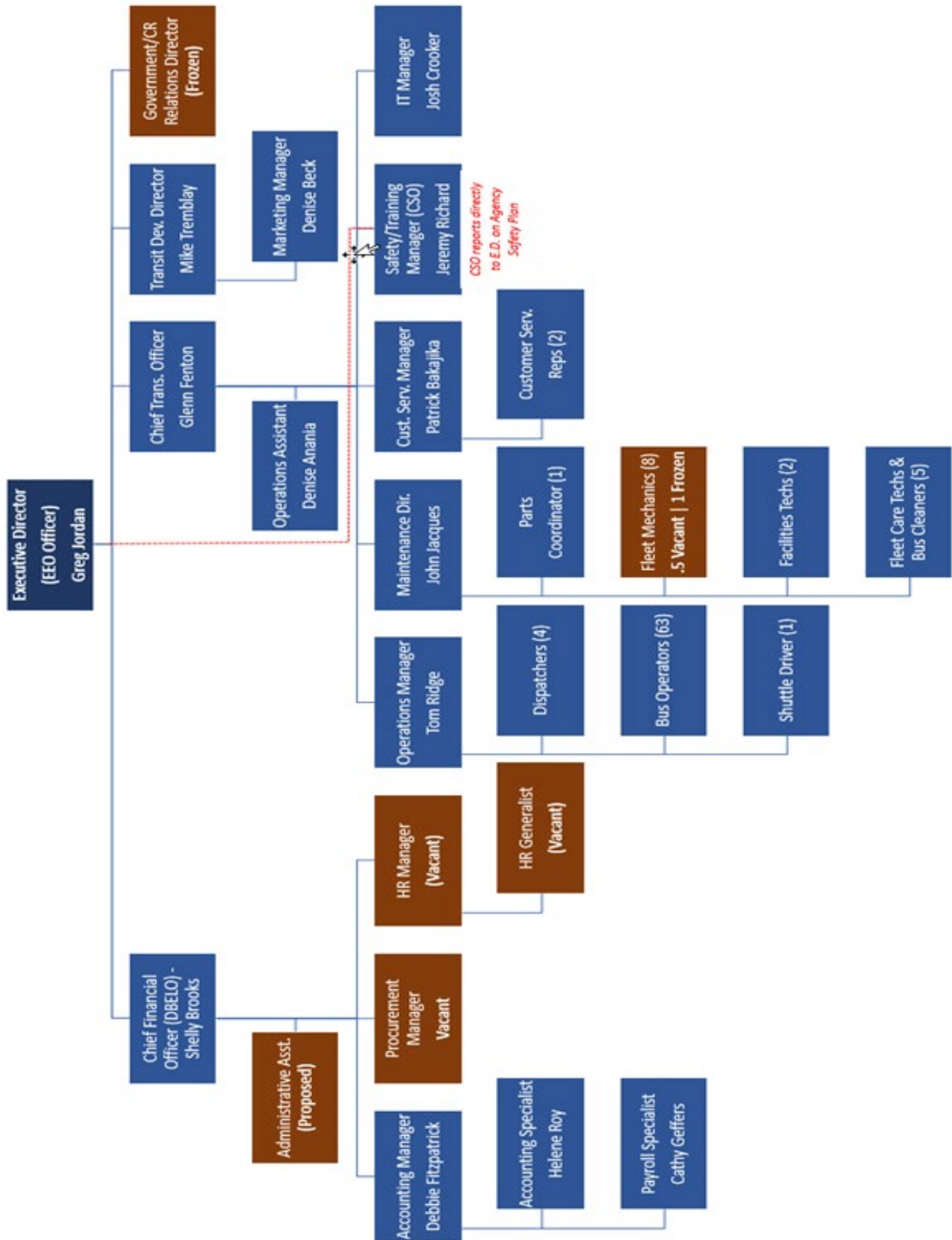
Priority 3 – Improve the Customer Experience

Introduce enhancements that improve the customer experience including (for example) an electronic fare collection system, smart cards, mobile payment, automatic on-board voice announcements, on-board Wi-Fi, and upgraded bus shelters/transit centers.

Priority 4 – Expand the Metro Service Area

Based on demonstrated ridership demand, add service to areas within the Metro service area that lack transit service or introduce service to jurisdictions outside the current Metro service area.

CURRENT ORGANIZATIONAL CHART



RIDERSHIP

The COVID-19 pandemic and related effects on the economy and travel have had significant impacts on public transportation ridership across the country. Metro’s ridership declines since 2020, and slow recovery, illustrated in the two charts below are generally in alignment with national trends.

Chart 1: Metro Annual Ridership

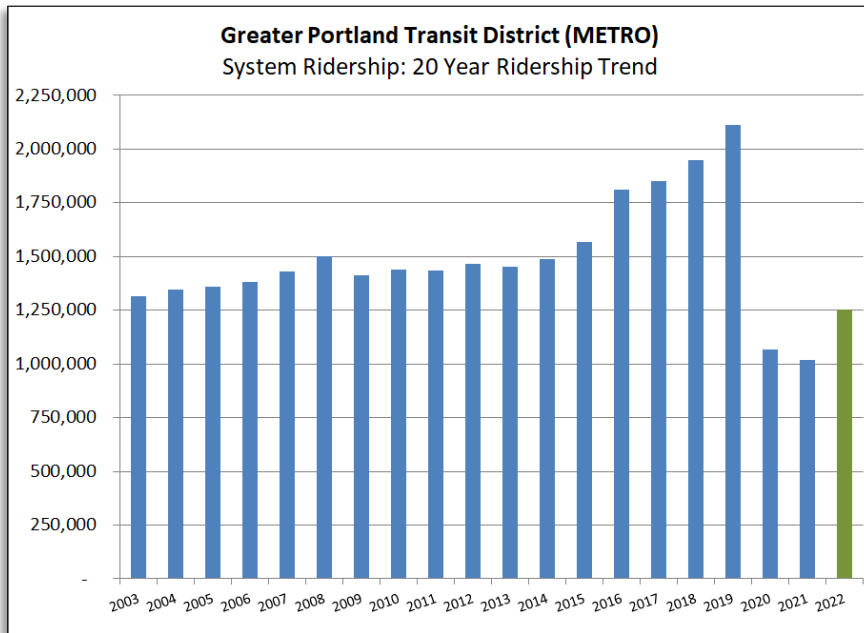
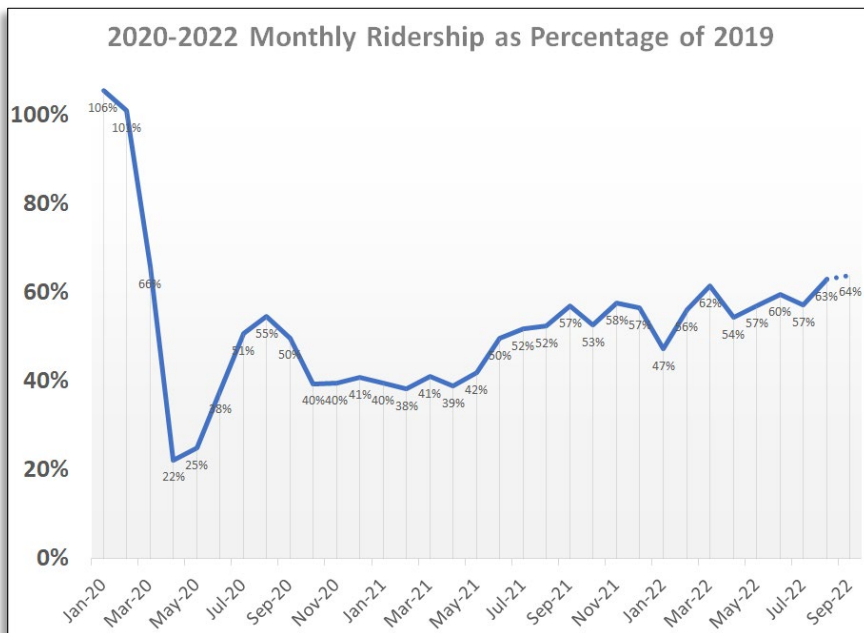


Chart 2: Ridership Recovery Trend



2023 SERVICE LEVELS

Table 1 details transit service levels by route. Service frequencies (or “Headways”) refers to the period of time between buses. Most of Metro’s weekday service operates at 30-minute headways which is considered a fair baseline level of service. Most of the weekend service operates at 60-minute headways which is considered to be life-line service. Lower headways mean buses come more often and passengers have less waiting time. For 2023, certain routes will be temporarily reduced below the current standard due to staffing shortages.

Table 1: 2023 Anticipated Service Levels (Headways)

Route	Corridor	Service Type	Municipalities	SERVICE FREQUENCIES			
				Weekday Peak	Weekday Off-Peak	Sat.	Sun.
Route 1	Congress	Local Route	Portland	30 min	30 min	60 min	60 min
Route 2	Forest	Local Route	Portland-Westbrook	30 min	30 min	60 min	60 min
Route 3	Bridge-Spring	Local Route	Portland-Westbrook-South Portland	45 min	45 min	60 min	60 min
Route 4	Main-Brighton	Local Route	Portland-Westbrook	30 min	30 min	30 min	45 min
Route 5	Outer Congress	Local Route	Portland-South Portland	30 min	45 min	45 min	45 min
Route 7	Route 1	Local Route	Portland-Falmouth	60 min	60 min	60 min	60 min
Route 8	Peninsula	Circulator	Portland	30-35 min	30-35 min	60 min	60 min
Route 9	Wash.-Stevens-Congress	Local Route	Portland-Falmouth	15-30 min	60 min	60 min	60 min
Husky Line	Route 25-WCD-Brighton	BRT-Lite	Portland-Westbrook-Gorham	30 min	30 min	45 min	90 min
BREEZ	I-295/Route 1	Express	Portland-Yarmouth-Freeport-Brunswick	35-60 min	40-150 min	150 min	N/A
LEVEL OF SERVICE (HEADWAYS - minutes between buses)							
20 minutes or Under		Frequent Service (Ridership Producing).					
30 minutes		Baseline Service					
45 min. or Longer		Coverage Service (Lifeline Service)					
Service Reduction due to staffing							

Metro is planning to temporarily reduce revenue hours by 4% in 2023 in order to mitigate a staffing shortage as well as for budget balancing purposes. Metro aims to restore these reductions subject to staffing and budget availability as soon as possible in 2023.

Table 2: Change in Revenue Hours by Route by Municipality (2023 compared to 2022)

Change in Revenue Hours									
	Brunswick	Falmouth	Freeport	Gorham	Portland	S. Portland	Westbrook	Yarmouth	Total Annual
Route 1					-7.2%				-7.2%
Route 2					-0.5%		-3.2%		-0.9%
Route 3					-16.5%	-15.9%	-16.1%		-16.1%
Route 4					-5.3%		-6.0%		-5.7%
Route 5					-9.0%	-9.3%			-9.0%
Route 7		-0.1%			-0.1%				-0.1%
Route 8					-1.1%				-1.1%
Route 9A					3.3%				3.3%
Route 9B		-1.0%			-1.1%				-1.1%
Breez	-0.1%		-0.1%		-0.1%			-0.1%	-0.1%
Husky Line				-3.4%	-3.4%		-3.4%		-3.4%
Totals	-0.1%	-0.3%	-0.1%	-3.4%	-3.2%	-12.4%	-8.9%	-0.1%	-4.4%

Key Achievements in 2022

Greater Portland Metro Awarded \$1.9 million in Federal Funding to Replace BREEZ Buses

Greater Portland Metro was awarded \$1,887,000 by the US Department of Transportation in federal discretionary funding to fund 85% of the cost to replace and upgrade four existing METRO BREEZ shuttles. The existing smaller shuttles will be replaced with larger buses that have greater passenger capacity, more room for bikes and people using mobility devices, a longer useful life, and can be operated on all METRO's routes. The new buses paint scheme and BREEZ logo will be adapted to fall within the Metro parent brand (created in 2018). The buses will be delivered in February 2023 and are expected to be placed in service in March 2023.

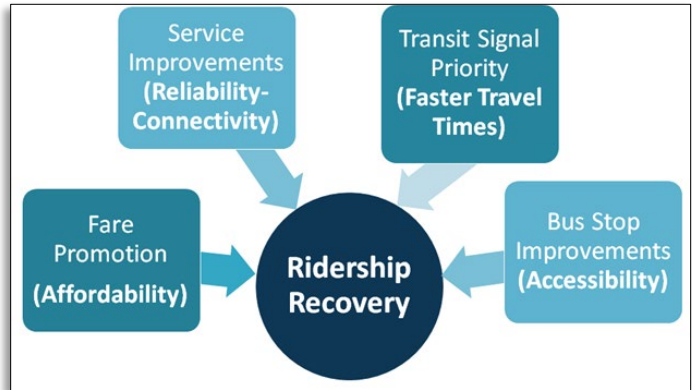


Launch of four (4) Battery Electric Buses to southern Maine's public transit fleets. The electric buses replaced four (4) twenty-year-old diesel buses. These buses are the first set of electric transit buses in Maine since the early 2000s. Using a combination of federal, state and local funding, Greater Portland METRO and Biddeford-Saco-Old Orchard Beach (BSOOB) Transit each received two (2) 35-foot Battery Electric Buses with associated charging infrastructure. The buses will be used on the two transit agencies local and express transit routes and represent the first phase of long-term plans to operate zero-emission transit fleets.



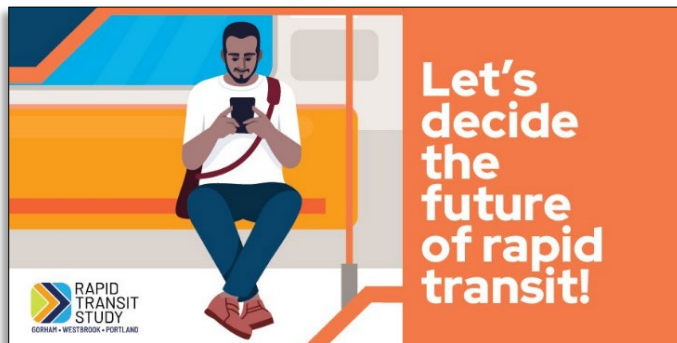
PACTS Policy Board awards Greater Portland METRO \$4.3 million in American Rescue Plan Act (ARPA) funding aimed at improving the transit system and recovering ridership lost to the pandemic. This funding award is aimed squarely at helping Metro (and the region’s other transit agencies) make service and infrastructure improvements in order to build new ridership and fare revenue.

For Metro’s part, this project would *improve headways and lengthen operating hours* on several bus routes helping to make the overall network more usable over more of the day. In addition, this funding would allow Metro to extend several routes and *add new destinations* (or improve access to current destinations) including Portland’s Eastern Waterfront, Maine Medical Center, and Portland Transportation Center. The project would *pilot Microtransit*, which is a new form of on-demand transportation as well as *improve bus stops*, introduce *transit signal priority technology* to make transit faster, and *implement a fare promotion*.



The project would *pilot Microtransit*, which is a new form of on-demand transportation as well as *improve bus stops*, introduce *transit signal priority technology* to make transit faster, and *implement a fare promotion*.

The PACTS Policy Board approved this allocation of funding in March 2022. Final distribution of this funding is waiting on formal execution by the region’s “designated recipients” for federal transit funding. To date, only Metro has signed off on the required letter which communicates the funding allocations to the Federal Transit Administration.



Greater Portland METRO is participating in two important studies that will shape the future of public transit in our region.

The Portland Area Comprehensive Transportation System (PACTS) is coordinating the “Transit Together” Project and the Gorham-Westbrook-Portland Rapid Transit Study. The Transit Together Project is examining ways that we can improve the existing bus network to make it simpler, more seamless and

better integrated. The Rapid Transit Study is examining the feasibility of rapid transit along the corridor connecting Gorham, Westbrook, and Portland. The study will identify the preferred route alignment and most advantageous mode and technology (e.g., Bus Rapid Transit, Light Rail, Streetcar, or Commuter Rail).

Phase 2 of the Creative Bus Shelter Project was implemented in September 2022. Metro and the Greater Portland Council of Governments (GPCOG) have partnered with project lead Creative Portland to bring local artwork to Metro's bus shelters. The second round of the project culminated in the September 2022 unveiling of 5 pieces of art applied to 5 bus shelters across Portland. There are now 9 bus shelters in Portland with art overlays. The project celebrates our region's diversity, gives voice to local artists, and seeks to transform the *humble bus stop* into attractions that catch the eye while also helping to build connection and community. While this is currently a Portland based project, Metro hopes to expand this work to other communities.

SEPTEMBER / OCTOBER 2022

Creative Bus Shelters Phase 2:

Ribbon cutting celebrations were held September 8, 2022 for five new shelters. Bus shelter names & locations listed below

(Left) 'We the People,' is located in front of the Portland Public Library. Event participants pictured included: Portland Schools superintendent Xavier Botana; METRO Executive Director (ED) Greg Jordan; Immigrant Welcome Center ED Reza Jalali; GPCOG ED Kristina Egan; Kat Violette, community engagement coordinator - GPCOG; Portland Mayor Kate Snyder; shelter artist Zenab Bastawala; and Dinah Minot, ED of Creative Portland.

(Left) Photographer Jocelyn Lee with one of the 'models' included in her shelter design 'Youth in Bloom,' located across from Deering High School

(Left) Ribbon cutting for 'Ghost Gear,' located at the entrance to the Deerings Corner Roundabout. Participants included: Artist Carter Shappy, Kate Anker and Dinah Minot (Creative Portland); Denise Beck (METRO); and Kat Violette (GPCOG)

"Oxbow" shelter, located on Fore River Parkway, near Mercy Hospital and "The Reason We Come Together," on Congress St.

9

Two (2) new unlimited access transit pass programs approved for implementation will help grow ridership and improve transit access. Following the implementation of the Dirigo UMO fare payment system in 2020, Metro (along with transit partners City of South Portland and Biddeford-Saco-Old Orchard Beach Transit) have been working to increase the number of pass programs with major employers, schools and universities.

- ***In November 2022, Metro and the City of Portland will launch an unlimited access pass program for asylum seekers participating in the city's resettlement program.*** The program will provide permanent transit passes for most asylum seekers (during the period of funding) in the greater Portland region. The passes are free of charge to the individuals and will allow unlimited access to bus routes operated by Metro, South Portland, and Biddeford-Saco-Old Orchard Beach Transit.

The program is planned to be implemented for a limited duration (8 months) subject to the City of Portland's available funding from the Federal Emergency Management Agency (FEMA). The agreement contemplates additional one-year terms subject to the identification of successor funding. Metro staff plan to convene all appropriate partners and work through the complexities of developing a broader unlimited access transit pass program for low income individuals and/or recipients of General Assistance.



- ***In December 2022, Metro and Dirigo Center Developers, LLC (the developers of the Rock Row development in the City of Westbrook) will launch an unlimited access transit pass program for all current and future employees and residents working/living at the Rock Row site.*** This is a first of its kind transit pass program in Maine, in which a commercial real-estate developer will be funding transit access for current and future workers and residents on a large-scale development. Subject to lessons learned during implementation of this program, this concept can serve as a model for municipalities to utilize when working with developers on transit supportive land-uses, transportation demand management, parking requirements, and traffic mitigation.

BUDGET ADOPTION TIMELINE 30-A-MRS §3516

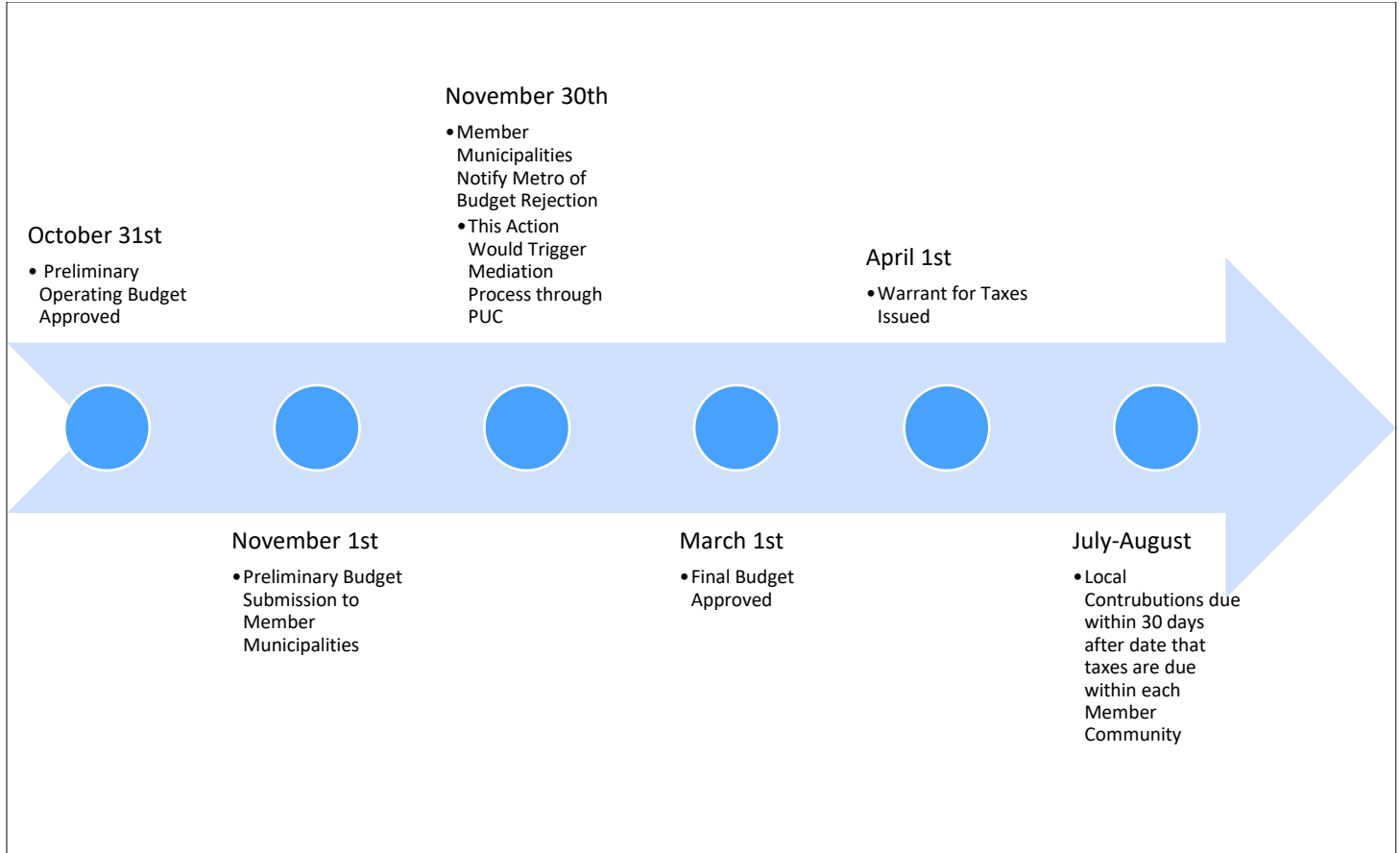


Table 3: Budget Adoption Calendar

Milestone	Action
October 31	Date by which a preliminary operating budget must be approved along with the formula by which local contributions are determined and the local contribution amounts.
November 1	Date by which Metro is required to submit the preliminary budget, local contribution formula, and local contribution amounts to the “municipal officers” (i.e., the city/town councils) of member municipalities.
November 30	Date by which city/town councils are required to notify Metro of a rejection of the formula by which local assessments are determined. A rejection would trigger a mediation process through the Public Utilities Commission.
March 1	Date by which Metro must approve a final budget.
April 1	Date by which Metro transmits “warrants for taxes” to the member municipalities.
July-August	Local contributions due to Metro within 30 days after the date that taxes are due within each member municipality.

MAJOR BUDGET GOALS/CHALLENGES

Overview

Greater Portland Transit District (“Metro”) provides fixed-route and express bus service, as well as contracted ADA paratransit services, throughout the Greater Portland region, including the communities of Brunswick, Falmouth, Freeport, Gorham, Portland, South Portland, Westbrook, and Yarmouth.

In the last decade, national transit ridership has fallen due to a variety of factors. These include changes in travel behavior due to third party ride sharing services, pre-pandemic increases in telecommuting, historically low fuel prices, shifts in federal funding from bus to major rail projects, and broader trends related to urban gentrification and the suburbanization of poverty.

Between 2014 and 2019, Metro’s ridership increased by 45% due to a range of system improvements and programs that counteracted these trends locally. However, going forward Metro is not immune from the structural reasons causing nationwide ridership declines. More urgently, the COVID-19 pandemic has led to steep reductions in ridership nationally and in Southern Maine. While the lasting effects of the pandemic remain unclear, there is emerging consensus that some degree of remote work/school will persist as well as public fears, however unfounded, about the safety of transit spaces. These trends will have lasting impacts on public transit’s primary market of commuter riders.

With the recognition that societal trends around travel and commuting have changed, a 2022-2023 strategic planning process will strive to update Metro’s mission, vision, values and strategic goals in order to position the agency to adapt to the changing environment.

2023 Budgetary Goals

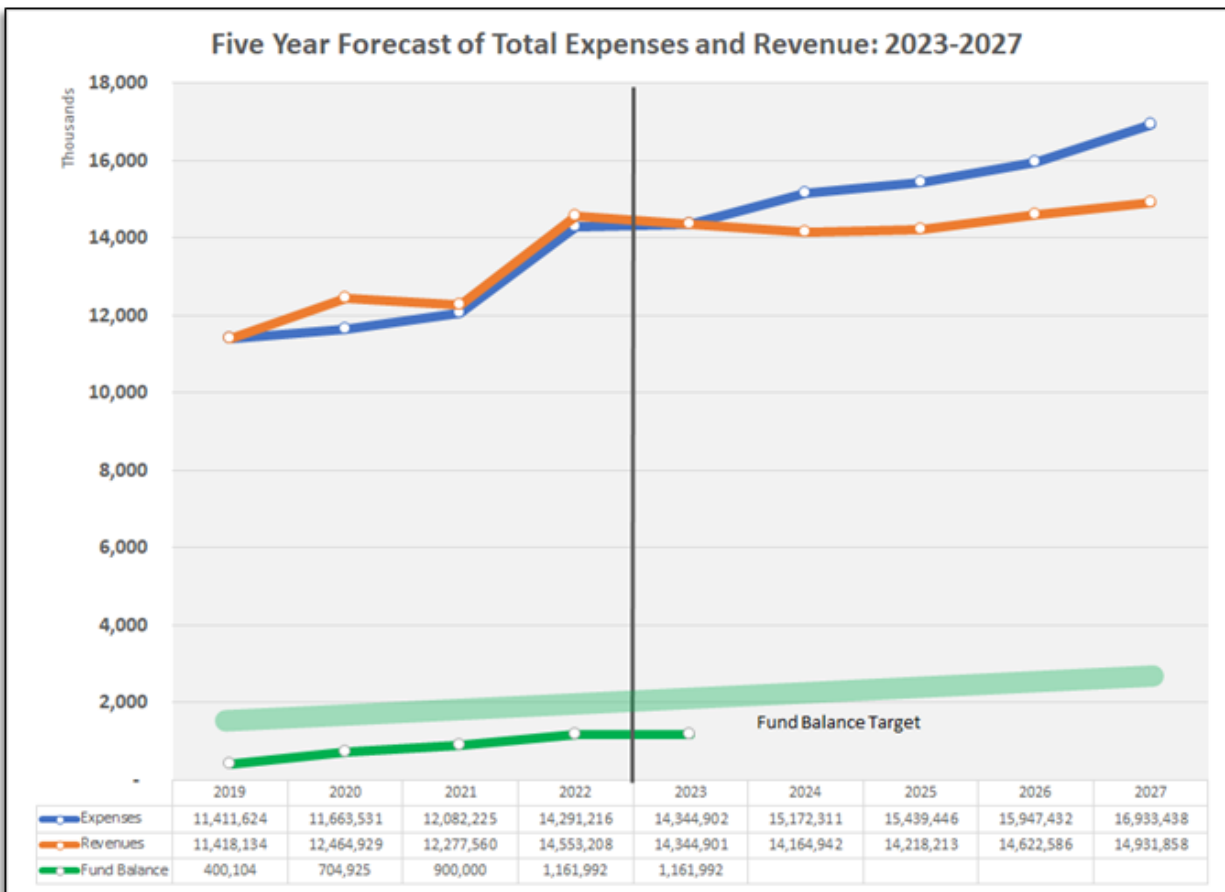
- Maintain service levels for 2023 while preparing for implementation of the Metro Board approved strategic plan, adoption of Transit Together recommendations, and implementation of American Rescue Plan Act funded service improvements.
- Grow ridership and fare revenue through tactical measures such as new pass programs, marketing initiatives, and bus stop improvements.
- Maximize non-local sources of funding while containing growth of member municipality contributions.
- Use innovative strategies to recruit and retain qualified staff.
- Maintain assets and infrastructure in a state of good repair.

FIVE YEAR FINANCIAL FORECAST (2023-2027)

The FY 2023 operating budget was able to be balanced through a combination of minor service reductions, positions reductions or freezes, program scale backs, and utilization of remaining CARES Act funding. For reasons noted below, Metro is forecasting structural deficits in 2024-2027. Staff will be working with the Finance Committee over the next few months to develop measures to resolve this financial challenge.

- Slow ridership and fare revenue recovery.
- Phase out of CARES Act funding in 2023.
- Cost increases due to broad economic inflation as well as increases in fuel-energy prices, and labor market shortages that are driving up wages.
- Phase out of Congestion Mitigation and Air Quality funding in 2022 which had supported the pilot years for BREEZ and Transit West Routes (Husky Line and Route 3).
- Static state level funding.

Chart 3: Five Year Financial Forecast



FY 2023 OPERATING BUDGET

The total operating budget for FY 2023 is \$14,536,927, an increase of 4.2% compared to FY 2022.

Table 4: Total Budget Summary

	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Projection	2022 Actual	2023 Budget	2022 \$ +/-	2022 % +/-
EXPENDITURES									
Base Bus Budget									
Wages	5,887,568	6,226,929	6,224,159	6,990,683	7,416,727	7,147,685	7,121,866	131,183	1.9%
Benefits	2,438,113	2,460,339	2,719,817	2,954,355	2,846,970	2,748,192	3,011,731	57,376	1.9%
Services and Fees	412,118	433,098	534,819	773,071	818,234	786,307	892,871	119,800	15.5%
Fuel-Fluids-Tires	695,059	619,587	660,413	620,375	651,609	627,682	823,718	203,343	32.8%
Supplies & Equipment	457,292	450,273	373,809	465,350	495,365	370,946	397,000	(68,350)	-14.7%
Utilities	356,264	300,840	299,561	388,165	389,637	364,946	432,803	44,638	11.5%
Insurance	227,911	299,877	325,138	361,884	350,286	345,754	376,335	14,451	4.0%
Miscellaneous Expenses	42,226	39,032	44,984	58,250	50,876	49,921	59,550	1,300	2.2%
Debt Service	297,275	505,460	231,494	263,338	263,338	236,824	331,328	67,990	25.8%
Capital & Reserves	166,000	25,162	247,383	200,460	203,395	188,942	170,000	(30,460)	-15.2%
Total Base Bus Budget	10,979,825	11,360,596	11,661,576	13,075,931	13,486,437	12,867,200	13,617,202	541,271	4.1%
Separate Budget Categories									
ADA Paratransit	434,324	290,551	350,479	425,000	382,022	408,210	416,404	(8,596)	-2.0%
115 St. John's Street	-	-	70,169	454,688	483,857	476,344	503,321	48,633	10.7%
Service Improvements	-	-	-	-	-	-	-	-	n/a
Total Expenditures	11,414,149	11,651,147	12,082,225	13,955,619	14,352,316	13,751,753	14,536,927	581,308	4.2%
REVENUES									
Base Bus Funding									
Passenger Fares	2,418,290	758,856	1,385,127	1,668,609	1,954,993	2,108,658	2,360,736	692,127	41.5%
Miscellaneous Revenue	393,577	440,226	314,751	265,986	395,002	496,006	413,950	147,964	55.6%
Municipal Funding	3,892,192	3,767,878	3,959,343	4,386,704	4,386,704	4,394,704	4,534,570	147,866	3.4%
State Funding	170,426	170,426	170,426	170,426	170,426	170,427	170,426	-	0.0%
Federal Funding	4,067,553	7,052,180	6,058,274	6,584,206	6,878,842	5,975,181	6,042,335	(541,871)	-8.2%
Total Base Bus Budget	10,942,038	12,189,565	11,887,921	13,075,931	13,785,967	13,144,976	13,522,017	446,086	3.4%
Separate Budget Categories									
ADA PT - Municipal Funding	87,905	59,471	71,756	85,000	76,404	83,088	83,281	(1,719)	-2.0%
ADA PT - Federal Funding	347,459	225,084	280,383	340,000	305,618	326,566	333,123	(6,877)	-2.0%
115 St. John's Other Revenue	-	-	1,000	136,416	94,989	89,386	269,990	133,574	97.9%
115 St. John's Municipal Funding	-	-	-	90,938	90,938	90,938	93,861	2,923	3.2%
115 St. John's State Funding	-	-	37,500	227,334	227,344	227,344	234,654	7,320	3.2%
Service Imp. - Passenger Fares	-	-	-	-	-	-	-	-	n/a
Service Imp. - Federal Funding	-	-	-	-	-	-	-	-	n/a
Total Revenues	11,377,402	12,474,120	12,278,560	13,955,619	14,581,261	13,962,298	14,536,927	581,308	4.2%
Surplus/(Deficit)	(36,747)	822,973	196,336	0	228,945	210,545	0	-	-

Major Budget Factors:

- The Base Bus Budget for FY 2023 is built on transit service levels that are slightly reduced from FY 2022. The change results in a net decrease of 2-3 bus operator positions. If ultimately implemented, the position savings will be achieved through attrition and will not require layoffs. In addition, several vacant positions have been temporarily frozen.
- Base Bus Budget expenditure increases are anticipated in all major categories except supplies and equipment, and capital and reserves. Additional explanations are provided within the Notes tables associated with each section of the budget.
- Base Bus Budget revenue changes include: increased fare revenue, decreased federal funding, and stabilized municipal funding. Additional explanations are provided within the Notes tables associated with each section of the budget.

- The ADA Paratransit budget is projected to decline slightly based on forecasted ridership in FY 2023.
- The total budget includes the anticipated expenditures and revenues associated with lease and operations of the property at 115 St. John’s Street as approved by the Board in July 2021.

BASE BUS BUDGET – PERSONNEL EXPENSES

Table 5: Base Bus Budget: Personnel

USES OF FUNDS	2019 Actual	2020 Actual	2021 Actual	2022-B Budget	2022-A Actual	2023 Request	2023 Revision	2023 Revised Request	2022 \$ +/-	2022 % +/-	Notes
Wages											
Regular Wages	5,078,260	5,615,565	5,714,716	6,266,549	5,818,519	6,349,837	80,966	6,430,803	164,254	2.6%	1
Overtime - Operations	605,180	395,523	317,205	491,210	812,996	450,210	-	450,210	(41,000)	-8.3%	2
Overtime - Maintenance	53,072	56,010	28,261	41,527	65,751	41,527	-	41,527	-	0.0%	2
Overtime - Administration	6,035	2,223	242	5,198	3,303	5,198	-	5,198	-	0.0%	2
Add'l Pay (PTO payout, Hlth opt out)	57,592	63,087	63,478	67,675	315,847	68,220	-	68,220	545	0.8%	
Holiday Pay - Worked	87,429	94,520	100,256	118,525	131,270	125,910	-	125,910	7,385	6.2%	3
Total Wages	5,887,568	6,226,929	6,224,159	6,990,683	7,147,685	7,040,900	80,966	7,121,866	131,183	1.9%	
Benefits											
FICA	432,426	368,092	552,282	534,729	530,561	538,628	6,194	544,822	10,093	1.9%	
Health Ins	1,358,389	1,397,007	1,401,771	1,544,929	1,396,591	1,566,054	(14,554)	1,551,500	6,571	0.4%	4
HRA Payments	73,622	74,726	87,893	80,000	72,434	80,000	-	80,000	-	0.0%	
Dental Insurance	65,412	59,330	64,478	71,996	65,550	67,986	(1,299)	66,688	(5,308)	-7.4%	5
Disability Insurance	40,896	41,124	49,121	56,670	59,618	65,631	-	65,631	8,961	15.8%	6
Life Insurance	1,767	1,729	2,363	2,630	2,349	2,426	-	2,426	(204)	-7.8%	
Workers Comp	92,619	133,174	171,347	174,760	181,371	187,530	-	187,530	12,770	7.3%	7
Unemployment	9,467	14,080	39	3,000	4,311	3,000	10,000	13,000	10,000	333.3%	
Vision	2,689	2,580	2,953	2,702	2,847	3,012	-	3,012	311	11.5%	5
Retirement	324,641	335,523	356,029	448,289	410,184	457,659	5,263	462,921	14,632	3.3%	8
Uniforms	27,252	21,282	31,541	34,650	22,376	34,200	-	34,200	(450)	-1.3%	
Contract Reimb	8,933	11,691	-	-	-	-	-	-	-	0%	
Total Benefits	2,438,113	2,460,339	2,719,817	2,954,355	2,748,192	3,006,127	5,604	3,011,731	57,376	1.9%	
Total Wages & Benefits	\$ 8,325,681	\$ 8,687,268	\$ 8,943,976	\$ 9,945,038	\$ 9,895,878	\$ 10,047,027	\$ 86,570	\$ 10,133,597	\$ 188,559	1.9%	

Note #	Line Item	Explanation
1	Regular Wages	Increase in regular wages is driven mainly by 3% increase in base wages and step increases as required by the Collective Bargaining Agreement with ATU and the Non-Union Salary Plan approved by the Board of Directors in 2022. Staff projections include a freeze for several open positions including Sr. Management Asst/Chief of Staff, Master Technician and 3 Bus Operator positions.
2	Overtime	Overtime averages between 8-9% of regular wages. Overtime is driven by vacancies and absences primarily among bus operators. 2022 overtime is projected to be about \$200k over budget due to higher than anticipated leaves and vacancies. Staff is optimistic that the combined impact of wage adjustments and the addition of part-time Bus Operator staffing will allow OT to be contained within average budgeted amounts of 8% of wages for 2023.
3	Holiday Pay	Increase in Holiday is due to increase in wage rates in 2022 and a 3% COLA estimated in 2023.
4	Health Insurance	Staff has adjusted the request to reflect the actual 7% increase in the cost of health insurance, compared to the 2022 budget amount, through the ME Municipal Health Trust. The MMEHT board votes on the next year’s increase in mid-to-late October.
5	Dental/Vision Insurance	Staff has adjusted the request to reflect the actual 3% increase in the cost of dental and vision insurance. The increase for 2023 is based on 2022 projected year end balances instead of 2022 budget.

Note #	Line Item	Explanation
6	Disability Insurance	Staff is currently assuming an 8% increase in the cost of disability insurance. 2022 projections indicate Disability Insurance will be over budgeted amounts. 8% increase for 2023 is based on 2022 projected year end balances instead of 2022 budget.
7	Workers Compensation	Increased overall payroll and higher "Experience Modification Rating" is driving increase in worker's compensation insurance costs.
8	Retirement Benefit	Metro's contribution to retirement remains unchanged at 7.5%. Increases in 2023 budget are due to projected wage increases.

BASE BUS BUDGET – NON-PERSONNEL EXPENSES

Table 6: Base Bus Budget: Non-Personnel

USES OF FUNDS	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Projection	2022 Actual	2023 Request	2023 Revision	2023 Revised Request	2023 \$ +/-	2023 % +/-	Notes
Services and Fees												
Tuition Reimbursement	-	-	975	5,000	3,000	2,955	5,000	-	5,000	-	0.0%	
Wellness Program	2,444	1,499	2,563	4,500	4,500	1,789	10,000	-	10,000	5,500	122.2%	1
Legal Fees	22,502	41,195	75,765	33,500	34,432	43,492	35,000	5,000	40,000	6,500	19.4%	
Audit Fees	21,366	20,000	20,500	24,500	23,500	23,500	26,000	-	26,000	1,500	6.1%	
Arch & Engineer Fees	-	-	350	7,500	500	-	5,000	-	5,000	(2,500)	-33.3%	
Temporary Help	44,990	-	21,810	-	71,682	46,915	-	30,000	30,000	30,000	0	
Employment Services	11,470	7,402	6,754	11,000	8,771	13,898	12,287	-	12,287	1,287	11.7%	2
Benefit Administration Fees	7,923	8,571	7,759	7,204	9,942	8,514	8,636	-	8,636	1,432	19.9%	3
Technology Services	116,468	108,397	128,586	176,119	166,348	175,183	195,165	(10,700)	184,465	8,346	4.7%	4
Bank and CC Fees	11,781	11,793	19,645	25,000	20,515	20,622	29,050	(5,000)	24,050	(950)	-3.8%	5
Advertising	24,929	38,727	21,569	127,500	120,204	86,862	124,500	-	124,500	(3,000)	-2.4%	
Postage	2,785	4,619	2,130	4,934	2,472	2,254	2,954	-	2,954	(1,980)	-40.1%	
Other Contracted Services	34,167	55,525	73,048	150,600	148,536	149,337	184,100	6,929	191,029	40,429	26.8%	6
Maint Software	2,006	3,634	3,424	3,950	3,000	2,690	3,950	-	3,950	-	0.0%	
Office Machines Maintenance	6,419	4,997	2,862	5,000	7,144	6,236	8,000	-	8,000	3,000	60.0%	7
Maintenance Services	97,993	123,626	142,188	134,664	158,138	174,340	140,000	17,500	157,500	22,836	17.0%	
Snow Plowing/Removal	1,690	1,610	-	9,000	7,125	3,625	9,000	-	9,000	-	0.0%	
Custodial Services	-	-	-	40,000	25,493	21,734	48,000	-	48,000	8,000	20.0%	8
Miscellaneous Services	3,185	1,502	4,891	3,100	2,930	2,361	2,500	-	2,500	(600)	-19.4%	
Total Services and Fees	412,118	433,098	534,819	773,071	818,234	786,307	849,142	43,729	892,871	119,800	15.5%	

Note #	Line Item	Explanation
1	Wellness Prog.	The increase in this line item reflects a strategy to expand the wellness program from nutrition/fitness to also include mental/psychological health. Program will be principally directed at front-line staff who manage an increasingly volatile and stressful public setting.
2	Emp. Services	Increased costs and higher turnover expected for new hire and return to work screenings.
3	Benefit Admin. Fees	HRA plan fees, ICMA plan fees and HRA annual Federal fees that were not previously budgeted caused the increase for this line item.
4	Technology Services	Increases are related to price increases for Tyler Munis (Finance, Payroll, HR, Purchasing) and Clever Devices (AVL). Increase also reflects the addition of a transit planning software
5	Bank/CC Fees	Increased volume of credit card transaction processing.
6	Other Contracted Serv.	The proposed increase reflects consultant services related to introducing transit security services, system mapping, and bus stop improvements
7	Office Machines Maintenance	Increase is due to the addition of a copier in the Admin wing of Metro offices. Budgeted amounts reflect maintenance and overages charges for two copiers.
8	Custodial Services.	Metro budgeted for custodial services in 2022 and is in the process of executing a contract for these services. The contract will provide services for Admin and Operations offices and common areas at Valley Street, along with services at the Pulse. Introducing contracted custodial services will improve workplace cleanliness while allowing Maintenance staff to focus on bus stop cleaning and maintenance.

Table 7: Base Bus Budget: Non-Personnel (Continued)

USES OF FUNDS	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Projection	2022 Actual	2023 Request	2023 Revision	2023 Revised Request	2022 \$ +/-	2022 % +/-	Notes
Fuel-Fluids-Tires												
CNG Fuel	221,985	96,442	99,606	99,500	119,471	106,653	130,000	-	130,000	30,500	30.7%	11
Diesel Fuel	366,962	431,341	439,224	405,600	401,900	386,878	482,844	43,084	525,928	120,328	29.7%	12
Greases and Fluids	49,572	45,134	55,298	51,900	55,238	64,174	68,040	-	68,040	16,140	31.1%	13
Electricity as a Fuel	-	-	-	5,000	12,000	9,732	30,000	-	30,000	25,000	500.0%	14
Tires and Tubes	56,540	46,670	66,285	58,375	63,000	60,245	69,750	-	69,750	11,375	19.5%	15
Total Fuel, Tires and Fluids	695,059	619,587	660,413	620,375	651,609	627,682	780,634	43,084	823,718	203,343	32.8%	
Supplies & Equipment												
Transportation Supplies	689	22,972	4,232	3,000	3,616	4,614	6,000	-	6,000	3,000	100.0%	16
Servicing/Fueling Supplies	-	18,458	6,123	7,000	3,500	3,905	3,500	-	3,500	(3,500)	-50.0%	
Shop Supplies	25,071	28,268	21,366	32,000	30,492	22,836	32,000	-	32,000	-	0.0%	
Shelter Supplies	2,306	387	6,798	3,000	3,000	3,658	5,000	-	5,000	2,000	66.7%	17
Building Supplies	51,566	37,356	31,996	45,000	33,167	30,754	26,000	-	26,000	(19,000)	-42.2%	
HR Supplies	-	-	5,402	-	-	-	-	-	-	-	0.0%	
IT Supplies	2,066	2,708	861	2,000	1,500	609	2,000	-	2,000	-	0.0%	
Supplies Cust Rel	19,007	861	5,816	7,500	7,000	9,948	7,500	-	7,500	-	0.0%	18
Supplies Promo	4,999	6,143	-	3,000	2,000	3,172	3,000	-	3,000	-	0.0%	19
Office Supplies	16,105	16,160	15,236	17,500	18,697	20,981	17,500	-	17,500	-	0.0%	
Fare Media	8,578	1,254	5,720	11,000	6,000	1,690	6,000	-	6,000	(5,000)	-45.5%	
Parts	320,474	298,829	237,833	301,350	283,372	239,852	301,350	(41,350)	260,000	(41,350)	-13.7%	
Minor Equipment	6,431	7,978	32,229	28,000	101,021	28,926	23,500	-	23,500	(4,500)	-16.1%	
Veh Ops- Other Supplies	-	8,900	197	5,000	2,000	-	5,000	-	5,000	-	0%	
Total Supplies and Equipment	457,292	450,273	373,809	465,350	495,365	370,946	438,350	(41,350)	397,000	(68,350)	-14.7%	
Utilities												
Heating Fuel	129,746	111,665	108,119	153,686	167,472	156,711	175,469	-	175,469	21,783	14.2%	20
Electricity	132,436	102,654	105,780	133,330	128,215	114,470	137,711	-	137,711	4,381	3.3%	
Water/Sewer/Stormwater	35,495	31,137	32,784	38,610	29,740	30,104	43,563	-	43,563	4,953	12.8%	
Phone/Cell/Internet	58,587	55,384	52,878	62,539	64,210	63,660	73,240	2,820	76,060	13,521	21.6%	21
Total Utilities	356,264	300,840	299,561	388,165	389,637	364,946	429,983	2,820	432,803	44,638	11.5%	

Note #	Line Item	Explanation
11	CNG Fuel	CNG fuel usage continues to decrease as the CNG sub-fleet makes up a smaller percentage of METRO's overall fleet. However, pricing for CNG fuel has significantly increased from prior years, which is the reason for the 2023 increase budget amount.
12	Diesel Fuel	By purchasing diesel futures, staff was able to secure a favorable rate for METRO's 21-23 diesel contract. Staff estimates the current contract will expire in late summer of 2023, and will either secure a new contract with higher pricing or will pay market rate. Estimates for fuel purchases beyond contract expiration were initially estimated at \$3.50/gal. Staff has revised this estimate to \$4.25/gal. due to continued volatility in the market pricing.
13	Greases & Fluids	Inflationary pricing increases caused increased budget amounts for 2023.
14	Electricity-Fuel	Estimates for full year usage of two Battery Electric Buses purchased in 2022, based on YTD usage from 2022.
15	Tires and Tubes	Inflationary pricing increases caused increased budget amounts for 2023.
16	Transportation Supplies	Increased based on 2022 actuals. Category includes supplies for maintenance of driver partitions, masks, misc. supplies.
17	Shelter Supplies	Glass and supplies needed for shelter maintenance.
18/19	Supplies- Cust. Relations	Anticipated outreach events related to service changes/improvements, fare reduction, etc. Staff anticipate costs to be higher, as well as increased usage for public outreach.
20	Heating Fuel	Pricing for heating fuel has significantly increased from prior years.
21	Phone-Cell-Int	The phone system was changed to a fiber system in late summer 2022. The budgeted amounts are estimates based on current pricing for that system.

Table 8: Base Bus Budget: Non-Personnel (Continued)

USES OF FUNDS	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Projection	2022 Actual	2023 Request	2023 Revision	2023 Revised Request	2022 \$ +/-	2022 % +/-	Notes
Insurance												
Auto/Liability/Property Insurance	227,911	299,877	325,138	361,884	350,286	345,754	376,335	-	376,335	14,451	4.0%	21
Total Insurance	227,911	299,877	325,138	361,884	350,286	345,754	376,335	-	376,335	14,451	4.0%	
Miscellaneous Expenses												
Dues, Subscriptions & Certifications	23,172	24,738	28,439	28,890	30,376	29,382	30,120	-	30,120	1,230	4.3%	
Conferences and Travel	10,826	4,414	9,976	19,430	10,500	9,504	19,430	-	19,430	-	0.0%	
Meals and Hosting	7,127	9,506	5,993	8,500	8,500	10,460	8,500	-	8,500	-	0.0%	
Licenses and Permits	1,101	374	576	1,430	1,500	575	1,500	-	1,500	70	4.9%	
Total Misc	42,226	39,032	44,984	58,250	50,876	49,921	59,550	-	59,550	1,300	2.2%	
Debt Service												
Interest Expense Short Term	51,485	32,958	15,408	40,000	40,000	23,053	70,000	30,000	100,000	60,000	150.0%	22
Interest Expense Long Term	36,842	36,437	33,586	40,838	40,838	31,271	32,178	-	32,178	(8,660)	-21.2%	23
Debt Service Principal	208,948	436,066	182,500	182,500	182,500	182,500	199,150	-	199,150	16,650	9.1%	24
Total Debt Service	297,275	505,460	231,494	263,338	263,338	236,824	301,328	30,000	331,328	67,990	25.8%	
Capital & Reserves												
Contribution to Unrest Balance	-	-	45,000	45,000	45,000	-	45,000	-	45,000	-	0.0%	
GF Cap Outlay for Oth Cap Itms	166,000	25,162	106,649	155,460	155,460	155,460	125,000	-	125,000	(30,460)	-19.6%	25
GF Cap Outlay for Service Vehicle	-	-	-	-	-	30,547	-	-	-	-	-	
Transfers	-	-	95,734	-	2,935	2,935	-	1	2	2	0	
Total Capital	166,000	25,162	247,383	200,460	203,395	188,942	170,000	-	170,000	(30,460)	-15.2%	
Total Non-Personnel Expenses	2,654,145	2,673,328	2,717,600	3,130,893	3,222,740	2,971,322	3,405,322	78,283	3,483,605	352,712	11.3%	
Total Personnel Expenses	8,325,681	8,687,268	8,943,976	9,945,038	10,263,697	9,895,878	10,047,027	86,570	10,133,597	188,559	1.9%	
Total Base Bus Budget	10,979,825	11,360,596	11,661,576	13,075,931	13,486,437	12,867,200	13,452,349	164,853	13,617,202	541,271	4.1%	

Note #	Line Item	Explanation
21	Insurance	Staff estimate a 3% increase in premium rates for auto/liability/property insurance. The cost increase accounts for a rate increase as well as the inclusion of the 2022 Battery Electric Buses which replaced 2 2004 diesel Gillig buses. However, the premium increase associated with the replacement of the Breez buses has not been factored in, but will be in connection with preparation of the final 2023 budget in February.
22	Short-term Int.	Need for short-term borrowing has increased due to CARES funding being fully expended. Additionally, interest rates have increased significantly 4%+ from our 2022 financing rate of 1.67%. Staff has increase the projected interest expense by \$30k, due to the actual rate obtained for short-term financing being a full basis point higher than initially projected.
23	Long-term Int.	Financing for 2022 bus purchases is lower than anticipated due to MDOT matching grant.
24	Debt Service Principal	Increased due to financing of local match for 2023 bus purchased.
25	Capital Prog.	Amount reflects the amount of new municipal funding needed to implement the proposed FY 2023 CIP.

Table 9: Base Bus Budget: Revenue

SOURCES OF FUNDS	2019 Actual	2020 Actual	2021 Actual	2022 Budget	2022 Projection	2022 Actual	2023 Request	2023 Revision	2023 Revised Request	2023 \$ +/-	2023 % +/-	Notes
Passenger Fares												
Passenger Fares	1,688,314	564,588	1,140,893	1,067,511	1,260,064	1,325,270	1,510,307		1,510,307	442,796	41.5%	1
Organization Paid Fares	647,929	194,268	244,234	601,098	694,929	783,388	850,429		850,429	249,331	41.5%	2
Total Passenger Fares	2,418,290	758,856	1,385,127	1,668,609	1,954,993	2,108,658	2,360,736	-	2,360,736	692,127	41.5%	
Miscellaneous Revenue												
Advertising Revenue	288,995	165,793	194,244	195,000	300,000	349,816	355,000		355,000	160,000	82.1%	3
Vehicle Maint Services	13,150	6,776	9,915	5,000	6,000	6,000	5,000		5,000	-	0.0%	
Sale of Fuel	33,107	14,449	15,884	22,800	7,933	7,868	10,000	(3,000)	7,000	(15,800)	-69.3%	4
Interest Income	32,884	14,219	6,109	15,000	21,106	48,027	15,000		15,000	-	0.0%	
Reimbursements of Auto Fare fees	-	-	10,088	13,286	14,507	13,887	14,450		14,450	1,164	8.8%	
Wellness Grant Reimbursements	-	-	3,014	6,000	4,500	1,284	5,500		5,500	(500)	-8.3%	
Training Grant Reimbursements	-	-	-	-	1,872	1,872	2,000		2,000	2,000	100	
Miscellaneous Income	25,441	188,044	20,462	8,900	15,000	29,427	10,000		10,000	1,100	12.4%	
Rental of Property	41,750	40,228	-	-	-	-	-		-	-	0%	
Claims Recovery	9,195	14,807	-	-	24,085	37,826	-		-	-	0%	
Total Other Revenue	393,577	440,226	314,751	265,986	395,002	496,006	416,950	(3,000)	413,950	147,964	55.6%	
Municipal Funding												
Non-Member Municipal Funding	33,000	33,000	33,000	33,000	33,000	33,000	35,000		35,000	2,000	6.1%	4
Member Municipal Funding: Operations	3,576,162	4,084,716	4,171,355	4,198,244	4,198,244	4,198,244	4,374,570		4,374,570	176,326	4.2%	5
Municipal Credit	-	(375,000)	(351,661)	-	-	-	-		-	-	0.0%	
Municipal Funding: CIP Local Match	166,000	25,162	106,649	155,460	155,460	155,460	125,000		125,000	(30,460)	-19.6%	6
Municipal Funding: Svc Veh Local Match	-	-	-	-	-	8,000	-		-	-	-	
Total Municipal Revenue	3,892,192	3,767,878	3,959,343	4,386,704	4,386,704	4,394,704	4,534,570	-	4,534,570	147,866	3.4%	
State Funding												
State Operating Subsidy	170,426	170,426	170,426	170,426	170,426	170,427	170,426		170,426	-	0.0%	
Total State Revenue	170,426	170,426	170,426	170,426	170,426	170,427	170,426	-	170,426	-	0.0%	
Federal Funding												
Federal Operating Assistance	2,029,157	2,176,812	2,424,171	3,477,838	3,958,021	3,247,517	3,869,668	59,106	3,928,774	450,936	13.0%	7
TW Fed Operating Assistance	623,822	519,633	650,000	174,000	219,674	219,674	-		-	(174,000)	-100.0%	8
Federal Prev Maint Assistance	1,058,372	612,720	944,263	1,025,000	1,172,000	1,107,990	1,248,269		1,248,269	223,269	21.8%	9
Federal CARES Act	-	3,743,015	2,039,840	1,907,368	1,529,147	1,400,000	736,145	129,147	865,292	(1,042,076)	-54.6%	10
Total Federal Revenue	4,067,553	7,052,180	6,058,274	6,584,206	6,878,842	5,975,181	5,854,082	188,253	6,042,335	(541,871)	-8.2%	
Total Revenue	\$ 10,942,038	\$ 12,189,565	\$ 11,887,921	\$ 13,075,931	\$ 13,785,967	\$ 13,144,976	\$ 13,336,764	\$ 185,253	\$ 13,522,017	446,086	3.4%	

Note #	Line Item	Explanation
1	Pass. Fares	Anticipated increase in fare revenue is based on anticipated increases in ridership as transit ridership patterns continue to show slow, but steady improvements as the pandemic has receded.
2	Org. Fares	Amount reflects continued incremental improvement in fare revenue from pass programs as well as the resumption of all funding terms associated with Metro's pass program agreement with the University of Southern Maine.
3	Advertising	Advertising revenue to projected to exceed estimates in 2022. Using this as a baseline, but adding modest increase for 2023 based on a loosening of fleet advertising restrictions.
4	Non-Member Mun. Funding	Metro and Gorham agreed to continue the pilot phase of the Husky Line for an additional year (2021-22) and are in process of preparing another 1-year extension which includes a modest increase in the town's contribution. In connection with this extension, staff have begun discussions with Gorham about transitioning from the pilot phase to permanency and joining Metro has full members.
5	Member Mun. Funding	Amount reflects the local funding from member municipalities to support planned programs and bus operations in FY 2023. Current figure represents a 4.2% increase compared to 2022. However, the increase in this line item will be partially offset by decreases in the local contributions required for ADA Paratransit, the capital program, and 151 St. John Street Lease funding.

*Greater Portland Transit District
2023 Operating Budget*

Note #	Line Item	Explanation
6	Municipal Funding (CIP)	Amount reflects the estimated amount of new municipal funding needed (\$125,000) to implement the proposed FY 2023-2027 CIP. The outer years of the CIP remain under development and staff will be working with the Finance Committee during the months of Nov-Jan to refine and finalize the long-range CIP.
7	Federal 5307 (Operating)	<p>Original FY 2023 amount reflected an 8.2% increase in Federal 5307 formula funding for operations compared to the amount originally budgeted for FY 2022.</p> <p>The original FY 2022 budget amount was \$3,477,838. Based on Metro’s request to PACTS, the amount was increased to \$3,690,000 based on increases in the cost of labor and commodities. Additionally, the actual FY 2022 amount reflects carry-forward funding from FY 2021.</p> <p>Revisions reflect an increase in FY 2023 operating funding based on higher than anticipated remaining balance from the existing grant.</p> <p>The original FY 2023 amount of \$3,763,800 reflected the standard 2% escalation assumed by PACTS programming. However, staff’s revised FY 2023 budget includes an additional \$106,482. This amount must be requested and justified through the PACTS process in early 2023. As a result, this amount should be viewed as contingent on future PACTS approval.</p> <p>If this request is approved, then the actual FY 2023 budget amount would represent an 11% increase compared to the original budget estimate for FY 2022. The justification for this increase is directly related to increases in the cost of labor, fuel, supplies and commodities.</p> <p>Based on federal regulations, Metro is eligible to use federal formula funding for operations up to approximately \$4.5 million. This figure represents 50% of the agency’s net cost to operate service (net cost is defined as total expenditures less all other forms of revenue and funding).</p>
8	Federal CMAQ (Operating)	This federal funding was awarded to Metro by Maine DOT in order to support the operations of the Husky Line and Route 3 during a 3-year pilot phase from 2018-19 thru 2020-21. A portion of this funding was retained in FY 2021 in order to extend its use in FY 2022. FY 2022 was the final year of this funding.
9	Federal 5307 (Prev. Maint.)	The original amount reflected a 11.5% increase as stipulated in PACTS programming. Revisions include an increase in 5307 PM funding of an additional \$105,868, contingent upon PACTS approval in early 2023.
10	Federal CARES Act (Operating)	Amount reflect the CARES Act funding awarded in 2022 that will be used in FY 2023. This is the final amount of available funding based on the allocation PACTS provided to Metro in early 2022. Revisions reflect an increase in FY 2023 CARES funding based on higher than anticipated remaining balance from the existing grant.

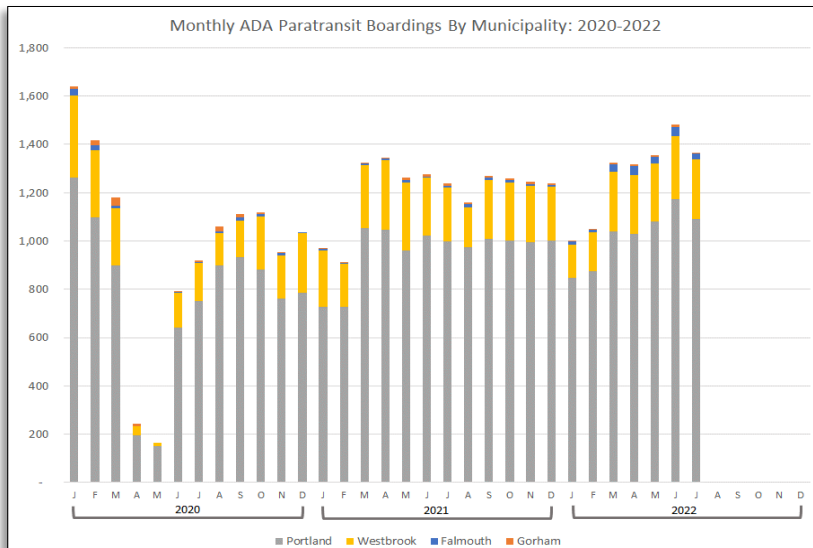
ADA PARATRANSIT – EXPENSES & REVENUES

Table 10: ADA Paratransit Budget

USES OF FUNDS	2019 Actual	2020 Actual	2021 Actual	2022-B Budget	2022-P Projection	2023 Request	2023 \$ +/-	2023 % +/-	Notes
ADA Paratransit									
Contracted Services	\$ 434,324	\$ 290,551	\$ 350,479	\$ 425,000	\$ 382,022	\$ 416,404	(8,596)	-2.0%	1
Total ADA Paratransit Service	434,324	290,551	350,479	425,000	382,022	416,404	(8,596)	-2.0%	
Total	434,324	290,551	350,479	425,000	382,022	416,404	(8,596)	-2.0%	
SOURCES OF FUNDS									
	2019 Actual	2020 Actual	2021 Actual	2022 Request	2023 Request	2021 \$ +/-	2021 % +/-	Notes	
Municipal Funding									
Municipal Funding	87,905	59,471	71,756	85,000	76,404	83,281	(1,719)	-2.0%	2
Total Municipal Funding	87,905	59,471	71,756	85,000	76,404	83,281	(1,719)	-2.0%	
Federal Funding									
FTA Section 5307	347,459	106,726	280,383	340,000	305,618	333,123	(6,877)	-2.0%	3
FTA CARES Act	-	118,358	-	-	-	-	-	0%	4
Total Federal	347,459	225,084	280,383	340,000	305,618	333,123	(6,877)	-2.0%	
Total Revenue	435,364	284,555	352,139	425,000	382,022	416,404	(8,596)	-2.0%	

Note #	Line Item	Explanation
1	Contracted Serv.	Metro contracts with the Regional Transportation Program (RTP) to provide ADA Paratransit services. Cost is based on a negotiated net cost per trip which is expected to remain stable into 2023. While trips remain below pre-pandemic levels, staff gradual increases in use.
2	Mun. Funding	Municipalities are billed directly for 20% of the actual cost of ADA paratransit trips that originate in their jurisdictions. In relation to the anticipated reduction in overall cost, staff are forecasting a smaller budget need compared to 2022.
3	Federal Funding (5307)	Metro receives federal funding to cover 80% of the cost of ADA paratransit. In relation to anticipated reduction in cost, staff are forecasting a smaller grant need compared to 2022.
4	Federal Funding (CARES Act)	Metro sought CARES Act funding support in 2020 for ADA paratransit. The combination of reduced ridership and cost along with the supplemental CARES Act funding created a surplus in the agency's regular 5307 funding in 2020.

ADA Paratransit Ridership: 2020-2022



115 ST. JOHN'S PROPERTY – EXPENSES & REVENUES

Table 11: 115 St. John's Street Property

USES OF FUNDS	2021 Actual	2022 Request	2022 Actual	2023 Request	2023 Revision	2023 Revised Request	2023 \$ +/-	2023 % +/-	Notes
Services and Fees									
Arch/Eng Fees	1,511	-	-	-	-	-	-	0.0%	
Legal Fees	-	-	6,095	5,000	-	5,000	5,000	100.0%	
Property Management Fees- Broker, Cam, Etc	-	15,000	63,783	8,766	-	8,766	(6,234)	-41.6%	
Maintenance Services- 115 St John St.	3,202	17,000	4,298	15,000	-	15,000	(2,000)	-11.8%	
Snow Plowing/Removal- 115 St John St.	-	13,000	-	10,000	-	10,000	(3,000)	-23.1%	
Supplies	-	-	714	3,500	-	3,500	3,500	100.0%	
Total Services and Fees	4,713	45,000	74,889	42,266	-	42,266	(2,734)	-6.1%	1
Utilities									
Heating Fuel- 115 St. John St.	425	10,000	8,535	-	-	-	(10,000)	-100.0%	
Electricity- 115 St. John St.	1,217	24,000	7,176	-	-	-	(24,000)	-100.0%	
Water/Sewer/Stormwater- 115 St. John St.	1,004	6,000	5,982	-	-	-	(6,000)	-100.0%	
Total Utilities	2,646	40,000	21,693	-	-	-	(40,000)	-100.0%	2
Rental Fees									
Rental Fees	54,167	329,688	326,083	332,605	-	332,605	2,917	0.9%	
Property Taxes	8,643	32,000	35,302	36,500	3,682	40,182	8,182	25.6%	
Total Rental Fees	62,810	361,688	361,385	369,105	3,682	372,787	11,099	3.1%	3
CAM Charges									
Management Fees	-	-	-	13,304	-	13,304	13,304	0.0%	
General R&M	-	-	-	5,254	2,446	7,700	7,700	0.0%	
General Administration	-	-	-	30,336	17,954	48,290	48,290	0.0%	
Total CAM Charges	-	-	-	48,894	20,400	69,294	69,294	0.0%	4
Property Insurance									
Property Insurance- 115 St. John Street	-	8,000	18,377	15,883	3,091	18,974	10,974	137.2%	
Total Insurance	-	8,000	18,377	15,883	3,091	18,974	10,974	137.2%	5
Total	70,169	454,688	476,344	476,149	27,172	503,321	48,633	10.7%	
SOURCES OF FUNDS									
SOURCES OF FUNDS	2021 Projection	2022-B Request	2022 Actual	2023 Request	2023 Revision	2023 Revised Request	2023 \$ +/-	2023 % +/-	Notes
Other Revenue									
Reimbursements- Insurance	-	-	7,657	15,883	3,091	18,974	18,974	100.0%	
Reimbursements- Taxes	-	-	15,230	36,500	3,682	40,182	40,182	100.0%	
Reimbursements- Maintenance and Repair	-	-	4,502	28,500	-	28,500	28,500	100.0%	
Management Fees	-	-	2,384	7,013	-	7,013	7,013	100.0%	
Rental of Property- 115 St. John's St.	1,000	136,416	59,612	175,321	-	175,321	38,905	28.5%	
Total Other Revenue	1,000	136,416	89,386	263,218	6,773	269,990	133,574	98%	6
Municipal Funding									
Municipal Assessment for Operating	-	90,938	90,938	93,861	-	93,861	2,923	3.2%	
Total Municipal Funding	-	90,938	90,938	93,861	-	93,861	2,923	3.2%	7
State Funding									
State Operating Subsidy	37,500	227,334	227,344	234,654	-	234,654	7,320	3.2%	
Total State Funding	37,500	227,334	227,344	234,654	-	234,654	7,320	3.2%	8
Total Revenue	38,500	454,688	407,668	591,733	6,773	598,505	143,817	31.6%	
Surplus/(Deficit)	(31,669)	-	(68,676)	115,584	(20,399)	95,185	95,185		

Note #	Line Item	Explanation
1	Service-Fees	Anticipated services and maintenance expenses for building.
2	Utilities	Utilities will be transferred to sub-tenant upon occupancy in 2022.
3	Rental Fees	This figure represents the base lease cost and taxes for FY 2023.
4	CAM Charges	Based on 2022 actual, increased by 3% estimate. Updated to reflect actual increase.
5	Insurance	Based on 2022 actual, increased by 8% estimate. Updated to reflect actual increase.
6	Other Revenue	Anticipated revenue from sub-leasing entire building.
7	Mun. Funding	Municipal funding approved by the Board of Directors in July 2021.
8	State Funding	Funding committed to Metro by the Maine Department of Transportation.

LOCAL CONTRIBUTIONS

Table 12: Proposed FY 2023 Local Contributions

Municipalities	2021 Actual	2022 Projected	\$ +/-	% +/-	2023 Budget	\$ +/-	% +/-	Notes
Base Bus Budget: Operating								
Brunswick	80,872	81,393	521	0.6%	84,812	3,419	4.2%	1
Falmouth	211,922	213,288	1,366	0.6%	222,246	8,958	4.2%	
Freeport	80,872	81,393	521	0.6%	84,812	3,419	4.2%	
Portland	2,944,856	2,963,839	18,983	0.6%	3,088,320	124,481	4.2%	
Westbrook	771,962	776,938	4,976	0.6%	809,570	32,631	4.2%	
Yarmouth	80,872	81,393	521	0.6%	84,812	3,419	4.2%	
Total	4,171,355	4,198,244	26,889	0.6%	4,374,570	176,326	4.2%	
Base Bus Budget: Capital Program								
Brunswick	2,063	3,014	951	46.1%	2,423	(591)	-19.6%	2
Falmouth	5,407	7,898	2,491	46.1%	6,351	(1,547)	-19.6%	
Freeport	2,063	3,014	951	46.1%	2,423	(591)	-19.6%	
Portland	75,134	109,750	34,617	46.1%	88,246	(21,504)	-19.6%	
Westbrook	19,695	28,770	9,074	46.1%	23,133	(5,637)	-19.6%	
Yarmouth	2,063	3,014	951	46.1%	2,423	(591)	-19.6%	
Total	106,426	155,460	49,034	46.1%	125,000	(30,460)	-19.6%	
151 St. John's Street								
Brunswick	-	1,763	1,763	n/a	1,820	57	3.2%	3
Falmouth	-	4,620	4,620	n/a	4,769	149	3.2%	
Freeport	-	1,763	1,763	n/a	1,820	57	3.2%	
Portland	-	64,200	64,200	n/a	66,263	2,064	3.2%	
Westbrook	-	16,829	16,829	n/a	17,370	541	3.2%	
Yarmouth	-	1,763	1,763	n/a	1,820	57	3.2%	
Total	-	90,938	90,938	n/a	93,861	2,923	100.0%	
ADA Paratransit								
Brunswick	-	-	-	0.0%	-	-	0.0%	4
Falmouth	477	563	86	18.0%	552	(11)	-2.0%	
Freeport	-	-	-	0.0%	-	-	0.0%	
Portland	57,516	67,895	10,379	18.0%	66,522	(1,373)	-2.0%	
Westbrook	14,013	16,542	2,529	18.0%	16,207	(335)	-2.0%	
Yarmouth	-	-	-	0.0%	-	-	0.0%	
Total	72,006	85,000	12,994	18.0%	83,281	(1,719)	-2.0%	
Total Municipal Expense								
Brunswick	82,935	86,170	3,235	3.9%	89,055	2,885	3.3%	5
Falmouth	217,806	226,369	8,563	3.9%	233,917	7,548	3.3%	
Freeport	82,935	86,170	3,235	3.9%	89,055	2,885	3.3%	
Portland	3,077,506	3,205,684	128,178	4.2%	3,309,352	103,668	3.2%	
Westbrook	805,670	839,079	33,408	4.1%	866,280	27,201	3.2%	
Yarmouth	82,935	86,170	3,235	3.9%	89,055	2,885	3.3%	
Total	4,349,787	4,529,642	179,855	4.1%	4,676,712	147,070	3.2%	

Note #	Line Item	Explanation
1	Bus Budget-Operating	<p>For operations, the proposed increase in local funding is 4.2%. For FY 2023, staff is recommending an additional year in which there is a uniform percentage increases all 6-member municipalities.</p> <p>Precise allocations of costs, revenue and funding by route and jurisdiction have been complicated by the impacts of the pandemic on ridership and revenue as well as recent large fluctuations in federal funding, the phase out of start-up funding for Breez, Transit West routes, CARES Act funding, and the ongoing distortions created by the legacy practice of allocating operating cost with FIXED and VARIABLE cost elements combined rather than segmented.</p> <p>Importantly, the PACTS Transit Together Bus Network Redesign study is anticipated to produce recommendations that contain significant changes to routes and service levels across all Metro member communities. To the extent Metro adopts these changes, there will be material changes to revenue hours and ridership leading to changes in municipal contributions in 2024.</p> <p>A recommended 2022 review of cost, revenue and funding allocation policies is proposed to be deferred until 2023 following the completion of the Transit Together study as well as the scoping and implementation of ARPA funded service improvements.</p> <p>Note that Gorham’s annual contribution is captured separately in the Base Bus Budget under non-member municipal contributions.</p>
2	Base Budget-Capital	The local funding needed to support the capital program is decreasing by 20%. As with operations, the decrease is applied uniformly across all 6-member municipalities.
3	151 St. John’s Street	The local funding amounts are those that were formally approved by the Board in July 2021 as a part of approving the lease agreement with the North River Company.
4	ADA Paratransit	<p>Municipalities are billed directly for 20% of the actual cost of ADA paratransit trips that originate in their jurisdictions. As such, these amounts are not included in the formal assessment and warrants for taxes.</p> <p>In relation to the anticipated reduction in overall cost, staff are forecasting a smaller budget need compared to 2021. The figures per municipality are estimates based on prior year’s ridership.</p>
5	Total Municipal Contribution	The total municipal contributions are proposed to increase by 3.2%. The minor net differences between municipalities relate to the impact of the large percentage reduction in the capital program.

ATTACHMENT B: 2023-2027 CAPITAL IMPROVEMENT PROGRAM

	2023	2024	2025	2026	2027
Total	5,093,710	9,470,809	4,533,454	3,991,232	27,334,688
<i>Federal</i>	4,617,250	6,068,069	3,626,763	3,192,986	13,805,824
<i>State</i>	184,000	1,796,640	302,585	340,963	8,061,926
<i>Local</i>	292,460	1,696,100	604,105	457,283	5,466,938
<i>Local: Bonding</i>	166,500	1,216,640	242,585	280,963	5,374,618
<i>Local: Mun.</i>	125,960	479,460	361,520	176,320	92,320
<i>Local: Debt Serv.</i>	232,637	343,361	371,861	404,735	899,597
Total	358,597	822,821	733,381	581,055	991,917

1 METRO REPLACEMENT FACILITY	2023	2024	2025	2026	2027	
1a. Property Acquisition: 151 St. John's Street <i>Federal assistance estimated at 50%; State assistance estimated at 30%. Local funding assumed to come from bonding.</i>						
	Total	-	5,200,000	-	-	-
	<i>Federal</i>	-	2,600,000	-	-	-
	<i>State</i>	-	1,560,000	-	-	-
	<i>Local</i>	-	1,040,000	-	-	-
1b. Replacement Facility: Planning-Design <i>Common practice is to budget 8% of a facility's estimated construction cost for planning-design-engineering.</i>						
	Total	175,000	600,000	600,000	600,000	-
	<i>Federal</i>	140,000	480,000	480,000	480,000	-
	<i>State</i>	17,500	60,000	60,000	60,000	-
	<i>Local</i>	17,500	60,000	60,000	60,000	-
1c. Replacement Facility <i>Federal assistance estimated at 50%; State assistance estimated at 30%. Local funding assumed to come from bonding.</i>						
	Total	-	-	-	-	25,000,000
	<i>Federal</i>	-	-	-	-	12,500,000
	<i>State</i>	-	-	-	-	7,500,000
	<i>Local</i>	-	-	-	-	5,000,000

ATTACHMENT B: 2023-2027 CAPITAL IMPROVEMENT PROGRAM

2	FLEET STATE OF GOOD REPAIR	2023	2024	2025	2026	2027	
2a.	Mid-Life Fleet Refurbishment (2018 Series) <i>Replacement of major components and vehicle refurbishment of 11 2018 New Flyers. 7 buses programmed for 2024 and 4 programmed for 2025.</i>	Total	-	420,000	247,200	-	-
		Federal	-	336,000	197,760	-	-
		State	-	-	-	-	-
		Local	-	84,000	49,440	-	-
2b.	Mid-Life Fleet Refurbishment (2019 Series) <i>Replacement of major components and vehicle refurbishment of 6 2019 New Flyers. 3 buses programmed for 2025 and 3 programmed for 2026.</i>	Total	-	-	185,400	190,800	-
		Federal	-	-	148,320	152,640	-
		State	-	-	-	-	-
		Local	-	-	37,080	38,160	-
2c.	Mid-Life Fleet Refurbishment (2020 Series) <i>Replacement of major components and vehicle refurbishment of 7 2020 New Flyers. 3 buses programmed for 2026 and 4 programmed for 2027.</i>	Total	-	-	-	190,800	261,600
		Federal	-	-	-	152,640	209,280
		State	-	-	-	-	-
		Local	-	-	-	38,160	52,320
3	BUS PURCHASES (REPLACEMENTS)	2023	2024	2025	2026	2027	
3a.	Breez Bus Replacements <i>Federal funding awarded in FY 2022 to replace 4 original Breez buses. Buses scheduled for delivery in early 2023. Local match sourced with bond funds and state funding.</i>	Total	2,220,000	-	-	-	-
		Federal	1,887,000	-	-	-	-
		State	166,500	-	-	-	-
		Local	166,500	-	-	-	-
3b.	Seven 2011 Series Buses Replacements <i>The OEM useful life for heavy duty buses is 12 years; the FTA Useful Life Benchmark (ULB) is 14 years. Metro aims to replace buses between years 13 and 14 in order to allow flexibility based on individual buses' condition. Replacement buses assumed to be diesel.</i>	Total		1,766,399	2,425,854		
		Federal	-	1,413,119	1,940,683	-	-
		State	-	176,640	242,585	-	-
		Local	-	176,640	242,585	-	-
3c.	Five 2014 Series Buses Replacements <i>The OEM useful life for heavy duty buses is 12 years; the FTA Useful Life Benchmark (ULB) is 14 years. Metro aims to replace buses between years 13 and 14 in order to allow flexibility based on individual buses' condition. Replacement buses assumed to be battery-electric.</i>	Total		-	-	2,809,632	1,873,088
		Federal	-	-	-	2,247,706	936,544
		State	-	-	-	280,963	561,926
		Local	-	-	-	280,963	374,618

ATTACHMENT B: 2023-2027 CAPITAL IMPROVEMENT PROGRAM

4 BUS PURCHASES (EXPANSION)		2023	2024	2025	2026	2027
4a. ARPA Funded Service Improvements <i>TBD</i>	Total	-	-	-	-	-
	<i>Federal</i>	-	-	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	-	-	-	-
4b. Transit Together Service Improvements <i>TBD</i>	Total	-	-	-	-	-
	<i>Federal</i>	-	-	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	-	-	-	-
4c. Breez South <i>TBD</i>	Total	-	-	-	-	-
	<i>Federal</i>	-	-	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	-	-	-	-
4d. Rapid Transit Implementation <i>TBD</i>	Total	-	-	-	-	-
	<i>Federal</i>	-	-	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	-	-	-	-
5 BATTERY ELECTRIC BUS INFRASTRUCTURE		2023	2024	2025	2026	2027
5a. Garage Chargers-Dispensers <i>TBD</i>	Total	-	-	-	-	-
	<i>Federal</i>	-	-	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	-	-	-	-
5b. On-Route Charging <i>TBD</i>	Total	-	-	-	-	-
	<i>Federal</i>	-	-	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	-	-	-	-

ATTACHMENT B: 2023-2027 CAPITAL IMPROVEMENT PROGRAM

6 EXISTING FACILITIES		2023	2024	2025	2026	2027
6a. HVAC Replacement <i>TBD</i>	Total	-	-	-	-	-
	<i>Federal</i>	-	-	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	-	-	-	-
6b. Back-up Generator <i>TBD</i>	Total	125,000	-	-	-	-
	<i>Federal</i>	100,000	-	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	25,000	-	-	-	-
6c. Compressed Natural Gas Station <i>Station rehabilitation and compressor replacement.</i>	Total	-	300,000	-	-	-
	<i>Federal</i>	-	240,000	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	60,000	-	-	-
6d. Safety-Security Maintenance/Upgrades <i>Replace/upgrade facility surveillance system, integrate ID badging access, harden access/exit points.</i>	Total	-	50,000	-	-	-
	<i>Federal</i>	-	40,000	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	10,000	-	-	-
7 SUPPORT VEHICLES		2023	2024	2025	2026	2027
7a. Support vehicle replacement <i>Replace operations support vehicle acquired in 2013. Add CARES Funded Shuttle</i>	Total	50,000	-	-	-	-
	<i>Federal</i>	40,000	-	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	10,000	-	-	-	-
7b. Bus Operator Shuttle <i>CARES Act funded employee shuttle intended to accommodate transport of drivers to/from base to Elm Street transit center.</i>	Total	55,000	-	-	-	-
	<i>Federal</i>	55,000	-	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	-	-	-	-
7c. Maintenance/Plow Truck <i>Replacement of 2013 GMC Sierra 3500 Pick-up with plow which as exceeded its useful life.</i>	Total	-	65,000	-	-	-
	<i>Federal</i>	-	52,000	-	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	13,000	-	-	-
7d. Skid Steer: Bus Stop/Sidewalk Plow <i>Equipment to improve snow clearing from bus stops, adjacent sidewalks, and facility.</i>	Total	-	-	100,000	-	-
	<i>Federal</i>	-	-	80,000	-	-
	<i>State</i>	-	-	-	-	-
	<i>Local</i>	-	-	20,000	-	-

ATTACHMENT B: 2023-2027 CAPITAL IMPROVEMENT PROGRAM

8	BUS STOP IMPROVEMENTS	2023	2024	2025	2026	2027	
8a.	General Bus Stop Improvements <i>Comprehensive improvements including accessibility, shelters, signs, amenities, lighting, information.</i>	Total	-	125,000	125,000	200,000	200,000
		<i>Federal</i>	-	<i>100,000</i>	<i>100,000</i>	<i>160,000</i>	<i>160,000</i>
		<i>State</i>	-	-	-	-	-
		<i>Local</i>	-	<i>25,000</i>	<i>25,000</i>	<i>40,000</i>	<i>40,000</i>
8b	Transit Stop Access Project <i>Planning and design work completed in prior years. Amounts shown are for construction. Additional funding awarded as part of the 2022 ARPA funding allocation. Metro is applying for \$850,000 in FTA Section 5307 formula funding through PACTS set-aside program for transit enhancements.</i>	Total	1,559,060	624,410	850,000		
		<i>Federal</i>	<i>1,485,600</i>	<i>550,950</i>	<i>680,000</i>	-	-
		<i>State</i>	-	-	-	-	-
		<i>Local</i>	<i>73,460</i>	<i>73,460</i>	<i>170,000</i>	-	-
9	TECHNOLOGY INTEGRATIONS	2023	2024	2025	2026	2027	
9a.	Staff Timekeeping Software <i>Identified need, as yet unfunded. There may be an alignment with the AVL project.</i>	Total	-	150,000	-	-	-
		<i>Federal</i>	-	<i>120,000</i>	-	-	-
		<i>State</i>	-	-	-	-	-
		<i>Local</i>	-	<i>120,000</i>	-	-	-
8b	Transit Signal Priority <i>Metro awarded \$500,000 in federal ARPA funding to install transit signal priority technology along Washington Avenue and Forest Avenue in Portland. Additional \$170,000 applied for through PACTS FTA Section 5307 formula set-aside program for transit enhancements (pending approval). Additional award would add TSP to Brighton Ave. and Congress Street.</i>	Total	500,000	170,000	-		
		<i>Federal</i>	<i>500,000</i>	<i>136,000</i>	-	-	-
		<i>State</i>	-	-	-	-	-
		<i>Local</i>	-	<i>34,000</i>	-	-	-
8b	CAD/AVL System Replacement <i>This project consolidates prior CARES Act funding amounts for Automatic Voice Announcement (\$84k), UV Light Equipment (\$84k), and CARES Act funding recently allocated by PACTS for CAD/AVL replacement (\$242k). Approximately \$750k will be require to replace the existing AVL system to include AVL, CAD, APC, AVA</i>	Total	409,650	-	-		
		<i>Federal</i>	<i>409,650</i>	-	-	-	-
		<i>State</i>	-	-	-	-	-
		<i>Local</i>	-	-	-	-	-

DATE

February 15, 2023

SUBJECT

Contract with Clever Devices

PURPOSE

Staff is providing information on a renewal contract for AVL hardware and software maintenance with Clever Devices.

BACKGROUND/ANALYSIS

Metro staff, through a public procurement process, selected Clever Devices as the district's vendor for an upgraded AVL system around 2013. The executed contract for the AVL project included hardware and software maintenance agreements, which have recently expired. Metro staff are seeking to renew this contract, in 1-year term increments, while planning, specifications and funding for new equipment is developed and secured.

Since the current system is proprietary to the vendor, Metro will complete the contract renewal as a sole source. Additionally, Metro staff believe that the contract does not require Board approval, as a public procurement process was completed with the initial project RFP. Since this is an interpretation of the procurement policy surrounding the execution of a contract, Metro staff thought it was prudent to explain the specifics of the situation to the Finance Committee, and can advance to the Board if the Committee thinks that is necessary. Metro's procurement procedures provided below describe the situations in which a contract requires board approval.

Greater Portland Transit District, Procurement Procedures Manual, Appendix E

Final award of contracts will require Board approval under the following circumstances:

1. *The contract is over \$25,000 and is not a result of a public procurement process.*
2. *Prices received from a bid or RFP process are in excess of available funds and could not be negotiated within funding limits, and staff desires to award the contract by accessing funds approved for a different purpose.*
3. *The contract has policy impacts that are inconsistent with what was anticipated when the funding was approved, or when the solicitation was issued.*
4. *The contract is for use/lease of GPTD real property (such as the lease for the space occupied by RTP).*

FISCAL IMPACT

Metro budgets for the annual hardware and software maintenance costs associated with the contract in the Technology Services line of the operating budget.

RECOMMENDATION

This item is for information and discussion.

CONTACT

Shelly Brooks

Finance Director

207-423-5052

sbrooks@gpmetro.org

ATTACHMENTS

Attachment A – Contract with Clever Devices

AGREEMENT
BETWEEN
GREATER PORTLAND TRANSIT DISTRICT
AND
CLEVER DEVICES

AGREEMENT entered into this [REDACTED] day of [REDACTED], by and between the **GREATER PORTLAND TRANSIT DISTRICT (Metro)**, a body politic and corporate, (hereinafter the "**GPM**") and **CLEVER DEVICES**, a company with a mailing address of 300 Crossways Park Drive, Woodbury, NY, 11797, (hereinafter the "**CONTRACTOR**").

W I T N E S S E T H

WHEREAS, the **GPM** desired to renew the maintenance and warranty agreement for its AVL equipment and software; and

WHEREAS, the **CONTRACTOR** submitted a agreement and;

WHEREAS, after due consideration of the agreement, the **GPM** enters into this agreement with the **CONTRACTOR**; and

NOW, THEREFORE, in consideration of the mutual promises made by each party to the other, the parties covenant and agree as follows:

1. The **CONTRACTOR** will provide Hardware Warranty and Software Maintenance as listed in their agreement attached as Exhibit A, respectively and incorporated as part of this Agreement. **CONTRACTOR** will perform the work to the satisfaction of **GPM's** Chief Transportation Officer.
2. **CONTRACTOR** agrees that all work performed under this Agreement shall conform to the normally accepted professional standards and further agrees to perform the services in an expeditious and economical manner, provided that it is consistent with the best interest of **GPM**. **CONTRACTOR** shall act in performance of this Contract as an independent contractor, and as such its officers, officials or employees receive any benefits enjoyed by employees of **GPM**. FTA requirements for third party contracts are included as part of this agreement.

3. Prior to the execution of this Agreement, **CONTRACTOR** will procure and maintain the following insurance coverages:
 - a. Professional Liability Insurance for errors, omission and negligence, in the amount of not less than \$1,000,000 per claim; Public Liability Insurance coverage and Automobile Insurance coverage of not less than \$400,000 combined single limit for bodily injury, death, and property damage, naming **GPM** as an additional insured thereon. **CONTRACTOR** shall provide **GPM** certificates evidencing such coverage, which shall guarantee thirty (30) days' notice to **GPM** of termination of insurance from insurance company or agent. **CONTRACTOR** shall also provide proof to **GPM** of Workers' Compensation coverage.

4. **Indemnification:** To the fullest extent permitted by law, the **CONTRACTOR** shall defend, indemnify and hold harmless the **GPM**, its officers and employees, from and against all claims, damages, losses, and expenses, just or unjust, including but not limited to the costs of defense and attorney's fees arising out of or resulting from the performance of this Agreement, provided that any such claims, damage, loss or expense (1) is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property, including the loss of use therefrom, and (2) is caused in whole or in part by any negligent act or omission of the **CONTRACTOR**, anyone directly or indirectly employed by it, or anyone for whose act it may be liable.

5. **Payment:** In payment for performance, under all the terms and conditions of this Agreement, **GPM** will pay **CONTRACTOR** the amounts as stated in the agreement in section 8- Pricing.

6. **Term:** **CONTRACTOR** shall complete deliverables, according to the agreement. The term of this contract is for two (2) years, beginning October 2022. This contract can be renewed for an additional (2) two (1) year terms upon mutual agreement by both parties.

7. **Dispute Resolution:** Any dispute among the Parties arising out of or relating to this agreement shall be resolved in accordance with this Section.

Negotiation. The Parties shall negotiate in good faith and attempt to resolve any dispute, controversy, or claim arising out of or relating to this Agreement ("Dispute") within 14 days after the date that a Party has given written notice of such Dispute to the other Party.

Disputes. If the Dispute has not been resolved within 14 days, any Party may serve written notice on the other Party of a request for non-binding mediation. The mediation shall be conducted in Portland, Maine by a mediator mutually agreeable to the Parties, shall not exceed one full day or two half days in length, and shall be completed within 60 days from the date of receipt of notice of a request for mediation by the last Party to receive notice. In the event that the Parties are unable to agree on a mediator within 14 days, or to resolve

the dispute through mediation within 60 days, the Parties reserve the right to file a civil action in a court of competent jurisdiction located in Cumberland County, Maine. This dispute resolution mechanism shall be binding upon the successors, assigns, foreclosing mortgagee, and any trustee or receiver of the Parties.

Performance During Dispute. Unless otherwise directed by **GPM**, the **CONTRACTOR** shall continue performance under this Agreement while matters in dispute are being resolved.

Claims for Damages. Should either Party suffer injury or damage to person or property because of any act or omission of the Party or of any of his employees, agents, or others for whose acts he is legally liable, a claim for damages therefor shall be made in writing to such other Party within a reasonable time after the first observance of such injury or damage.

Rights and Remedies. The duties and obligations imposed by this Agreement and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law. No action or failure to act by **GPM** or the **CONTRACTOR** shall constitute a waiver of any right or duty afforded any of them under the Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

FTA Vested Interest. The Parties acknowledge that FTA has a vested interest in the settlement of any dispute, breach, default, or litigation involving the project.

8. **CONTRACTOR** shall keep accurate records of all services performed and furnished under this Agreement and shall submit such information on annual invoices. Payment for such shall be made to **CONTRACTOR** not more than thirty (30) days after receipt of an invoice and acceptance of the services by the **GPM**.
9. All data collected shall be treated as confidential material and shall be disclosed only to authorized **GPM** representatives, and **CONTRACTOR** shall not disclose any information or material furnished or generated under this Agreement without the prior written consent of **GPM**. All documents and other products of the services performed under this Agreement shall be the property of **GPM** and shall be promptly delivered to **GPM** upon completion of the work, or upon request.
10. **Governing Law and Choice of Forum**
This Contract shall be governed by, construed and enforced in accordance with the laws of State of Maine without regard to its conflict of law rules. The **CONTRACTOR** consents to the jurisdiction of the Maine Superior Court located in Cumberland County, Maine, where **GPM** is located.

11. **Contract Changes**

GPM may at any time, by written order, and without notice to sureties, if any, make changes within the general scope of this agreement. Such change shall serve to modify this agreement to the extent necessary to execute the change as directed. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the services under this agreement, whether changed or not changed by the order, **GPM** shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the agreement accordingly. The **CONTRACTOR** must assert its right to an adjustment under this article within three (3) working days from the date of receipt of the written order. Failure by the contractor to give timely notice of the changes could constitute waiver of claim for an equitable adjustment. However, if **GPM** decides that the facts justify it, **GPM** may receive an act upon a proposal submitted at any time before final payment of the agreement. If the **CONTRACTOR's** proposal includes the cost of equipment or materials made obsolete or excess by the change, **GPM** shall have the right to prescribe the manner of the disposition under the disputes article. However, nothing in this provision shall excuse the **CONTRACTOR** from proceeding with the agreement as changed.

IN WITNESS WHEREOF, the said **GREATER PORTLAND TRANSIT DISTRICT** has caused this Agreement to be signed and sealed by Greg Jordan, its Executive Director, thereunto duly authorized, and _____ has caused this Agreement to be signed and sealed by _____, its _____ thereunto duly authorized, the day and year first above written.

WITNESS:

GREATER PORTLAND TRANSIT DISTRICT

By: _____

Greg Jordan
Executive Director

WITNESS:

CLEVER DEVICES

By: _____

(Print or type name)

Its _____

FTA REQUIREMENTS - TERMINATION AND DISPUTE RESOLUTION

Termination

- A. Termination for Convenience.** The performance of work under this Agreement may be terminated by **GPTD** in accordance with this clause in whole, or from time to time in part, whenever determined that such termination is in the best interest of **GPTD**. Any such termination shall be effected by delivery to the **CONSULTANT** of a Notice of Termination specifying the extent to which performance of work under the Agreement is terminated, and the date upon which such termination becomes effective.
1. After receipt of a Notice of Termination, and except as otherwise directed by **GPTD**, the **CONSULTANT** shall: (i) stop work under the Agreement on the date and to the extent specified in the Notice of Termination; (ii) place no further orders or subcontracts for materials or services, except as may be necessary for completion of such portion of the work under the Agreement as is not terminated; (iii) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination; (iv) assign **GPTD**, in the manner at the times, and to the extent directed by **GPTD**, all of the rights, title, and interest of the **CONSULTANT** under the orders and subcontracts so terminated, in which case **GPTD** shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts; (v) settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts (vi) transfer title to **GPTD** and deliver as directed by **GPTD** the work in progress, completed work, supplies, and other material produced as part of, or acquired in connection with the performance of the work terminated, and the completed or partially completed plans, information, deliverables and other property which, if the contract had been completed, would have been required to be furnished to **GPTD**; (vii) complete performance of such part of the work as shall not have been terminated by the Notice of Termination; and (viii) take such action as may be necessary, or as **GPTD** may direct, for the protection or preservation of the property related to this Agreement, which is in the possession **CONSULTANT** and in which **GPTD** has or may acquire an interest.
 2. Settlement of claims under this Termination for Convenience clause shall be in accordance with paragraphs (c) through (m) of the clause contained in the Federal Acquisition Regulation (FAR) Part 52, Subpart 52.249-2, except that wherever the word “Government” or “Contracting Officer” appears it shall be deleted and “GPTD” shall be substituted in lieu thereof.
- B. Termination for Breach or Default.** **GPTD** may, by written notice of default to the **CONSULTANT**, terminate the whole or any part of this Agreement if the **CONSULTANT** fails to make delivery of the deliverables or to perform the services within the time specified herein or any extension thereof; or the **CONSULTANT** fails to perform any of the other provisions of the Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as **GPTD** may authorize in writing) after receipt of notice from **GPTD** specifying such failure.

1. If the Agreement is terminated in whole or in part for default, **GPTD** may procure, upon such terms and in such manner as **GPTD** may deem appropriate, services and deliverables similar to those so terminated. The **CONSULTANT** shall be liable to **GPTD** for any excess costs for such similar services and deliverables, and shall continue the performance of this Agreement to the extent not terminated under the provisions of this clause.
2. Except with respect to defaults of subcontractors, the **CONSULTANT** shall not be liable for any excess costs if the failure to perform the Agreement arises out of causes beyond the control and without the fault or negligence of the **CONSULTANT**. If the failure to perform is caused by the default of a subcontractor at any tier, and if such default arises out of causes beyond the control of the **CONSULTANT** and subcontractor, the **CONSULTANT** shall not be liable for any excess costs for failure to perform, unless the services and deliverables to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the **CONSULTANT** to meet the required delivery schedule.

C. Rights and Obligations After Notice of Termination and Upon Termination. In the event of any termination, **GPTD** shall be responsible only for services and deliverables accepted by **GPTD** up to the date of termination. Payment for services and deliverables accepted by the **GPTD** prior to the date of termination shall be at the contract price. **GPTD** may withhold from amounts otherwise due to the **CONSULTANT** for such completed services and deliverables such sums as **GPTD** determines to be necessary to protect **GPTD** against loss or damage because of outstanding liens, claims of former lien holders, or other cause.

1. **GPTD** has no obligation to the **CONSULTANT**, of any kind, after the date of termination.

If, after Notice of Termination of this Agreement is served under the provisions of this clause, it is determined for any reason that the **CONSULTANT** was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the Parties shall be the same as if the Notice of Termination had been issued pursuant to termination for convenience of **GPTD**.

The rights and remedies of **GPTD** provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

D. Opportunity to Cure. **GPTD** in its sole discretion may, in the case of a termination for breach or default, allow the **CONSULTANT** 30 days in which to cure the defect. In such case, the Notice of Termination will state the time period in which cure is permitted and other appropriate conditions. If the **CONSULTANT** fails to remedy to **GPTD**'s satisfaction the breach or default or any of the terms, covenants, or conditions of this Agreement within 10 days after receipt by the **CONSULTANT** of written notice from **GPTD** setting forth the nature of said breach or default, **GPTD** shall have the right to terminate the Agreement without any further obligation to the **CONSULTANT**. Any such termination for default shall not in any way operate to preclude **GPTD** from also pursuing all available remedies against the **CONSULTANT** and its sureties for said breach or default.

E. Waiver of Remedies for any Breach. In the event that **GPTD** elects to waive its remedies for any breach by the **CONSULTANT** of any covenant, term, or condition of this Agreement, such waiver by **GPTD** shall not limit **GPTD's** remedies for any succeeding breach of that or of any other covenant, term, or condition of this Agreement.

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
OTHER INELIGIBILITY, AND INVOLUNTARY EXCLUSION**

The Respondent, _____, certifies, by submission of this quote/proposal, that neither it nor its principals or subcontractors is presently debarred, suspended, proposed for debarment, declared ineligible, or involuntarily excluded from participation in this transaction by any Federal Department or Agency.

The Respondent agrees to comply with the requirements of 2 CFR Part 180, Subpart C, as adopted and supplemented by U.S. DOT regulations at 2 CFR Part 1200, while this bid/Request for Proposals (“RFP”) is pending and throughout the period of any contract that may arise from this bid/RFP. The Respondent further agrees that it and its affected subcontractors will provide immediate written notice to Greater Portland Transit District (GPM) if at any time the Respondent learns that his/her subcontractor’s certification was erroneous when submitted or has become erroneous because of changed circumstances.

By submitting this proposal and affixing a signature below, the Respondent certifies that the above statement is a material representation of fact upon which reliance is placed by GPM. If it is later determined that the Respondent knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, GPM may terminate this transaction for cause of default.

If the Respondent is unable to certify to any of the statements in this certification, the Respondent shall attach an explanation to this certification.

The Respondent certifies or affirms the truthfulness and accuracy of the contents of the statement submitted on or with this certification and understands that the provisions of 31 U.S.C. §§ 3801-3812 are applicable thereto.

Signature of Authorized Official _____
Date

Printed Name of Authorized Official

Company Name

Termination for Convenience

The agency may terminate this contract, in whole or in part, at any time with written notice to the contractor when it's in the agency's best interest. The contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The contractor shall promptly submit its termination claim to the agency to be paid to the contractor. If the contractor has any property in its possession belonging to the agency, the contractor will account for the same, and dispose of it in the manner the agency directs.

Signature of Authorized Official

Date

Printed Name of Authorized Official

Company Name

CERTIFICATION OF RESTRICTIONS ON LOBBYING
49 CFR PART 20

The Contractor certifies, to the best of his or her knowledge and belief, that:

1. 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 an 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.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any 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 [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, *et seq.*)]

3. The undersigned shall include **the language of this certification in** the award documents for **all subcontracts**, that shall certify and disclose accordingly.

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 (as amended by the Lobbying Disclosure Act of 1995). 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.

The undersigned understands and agrees that the provisions of 31 U.S.C. A 3801, *et seq.*, apply to this certification and any disclosure, and also certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any.

Signature of Authorized Official

Date

Printed Name of Authorized Official

FTA REQUIREMENTS FOR THIRD PARTY CONTRACTS

Federal Funding, Incorporation of FTA Terms, Federal Changes: Contractor understands and acknowledges that this Contract is funded, in whole or in part, by Federal funding. Contractor shall at all times comply with all applicable FTA regulations, policies, procedures, and directives, as they may be amended from time to time, including without limitation those listed directly or by reference in any grant agreement, including the Master Agreement, between GPM and FTA, as they may be amended or promulgated from time to time during the term of this Contract. Without limiting the foregoing, all contractual provisions required by the U.S. Department of Transportation, as set forth in FTA Circular 4220.1F or its successors are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Contract. Contractor shall not perform any act, fail to perform any act or refuse to comply with any GPM requests that would cause GPM to be in violation of the FTA terms and conditions. Contractor's failure to so comply shall constitute a material breach of this Contract. Contractor agrees to include these Contract terms, as modified to apply to each Subcontractor, in each subcontract issued pursuant to this Contract.

No Federal Government Obligation to Third Parties: GPM and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying Contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this Contract and shall not be subject to any obligations or liabilities to GPM, Contractor, or any other party (whether or not a party to that Contract) pertaining to any matter resulting from the underlying Contract. The Contractor agrees to include this Contract term, as modified to apply to each Subcontractor, in each subcontract issued pursuant to this Contract.

Program Fraud and False or Fraudulent Statements or Related Acts:

1. Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. §§ 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 CFR Part 31, apply to Contractor's actions pertaining to this project. Contractor certifies or affirms the truthfulness and accuracy of each statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying Contract or the FTA assisted project for which this Contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986, as amended, on the Contractor to the extent the Federal Government deems appropriate.

2. Contractor acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, certification, assurance, or representation to the Federal Government or includes a false, fictitious, or fraudulent statement or representation in any agreement connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Federal Government reserves the right to impose on the Contractor the penalties of 18 U.S.C. § 1001, 49 U.S.C. § 5323(L), or other applicable Federal law to the extent the Federal Government deems appropriate.
3. Contractor agrees to include the above Contract terms, as modified to apply to each Subcontractor, in each subcontract issued pursuant to this Contract.

Access to Records: Contractor agrees to:

1. Provide to GPM, the FTA administrator, the U.S. Secretary of Transportation, and the U.S. Comptroller General or their duly authorized representatives access to all records to the extent required by 49 U.S.C. 5325(g). Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed. Contractor agrees to permit the FTA and its contractors to access the sites of performance under this Contract as reasonably may be required.
2. Maintain all books, records, accounts and reports related in whole or in part to this Contract (including without limitation data, documents, reports, statistics, sub-agreements, leases, subcontracts, arrangements, other third party agreements of any type, and supporting materials related to those records) for a period of not less than three years after the date of termination or expiration of this Contract, except in the event of litigation or settlement of claims arising from the performance of this Contract, in which case Contractor agrees to maintain same until GPM, the FTA Administrator, the Comptroller General or any of their duly authorized representatives have disposed of all such litigation, appeals, claims or exceptions related thereto, pursuant to 49 CFR 18.42;
3. Comply with all applicable State of Maine record retention requirements and applicable provisions of the Maine Freedom of Access Law, 1 M.R.S.A. §§ 401, *et seq.*; and
4. Include these Contract terms, as modified to apply to each Subcontractor, in each subcontract issued pursuant to this Contract.

Civil Rights and Equal Opportunity: Contractor agrees to comply with all applicable civil rights laws and implementing regulations including, but not limited to, the following:

1. Nondiscrimination; ADA. In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794; 49 U.S.C. § 5301(d), and Federal transit law at 49 U.S.C. § 5332, Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex,

age, or disability. To the extent applicable, Contractor further agrees to comply with FTA Circular 4702.1, "Title VI requirements and Guidelines for Federal Transit Administration Recipients," as amended; U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of Civil Rights Act," 49 CFR Part 21; U.S. Department of Justice, "Guidelines for the enforcement of Title VI, Civil Rights Act of 1964," 28 CFR 50.03, and all other applicable Federal implementing regulations and other implementing requirements FTA may issue, including without limitation:

- DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 CFR Part 37;
- DOT regulations, "Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance," 49 CFR Part 27;
- Joint U.S. Architectural and Transportation Barriers Compliance Board (U.S. ATBCB)/U.S. DOT regulations, "American With Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 36 CFR Part 1192 and 49 CFR Part 38;
- U.S. Department of Justice (DOJ) regulations, "Nondiscrimination on the Basis of Disability in State and Local Government Services," 28 CFR Part 35;
- DOJ regulations, "Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities," 28 CFR Part 36;
- General Services Administration regulations, "Accommodations for the Physically Handicapped," 41 CFR Subpart 101-19;
- Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 CFR Part 1630;
- Federal Communications Commission regulations, "Telecommunications Relay Services and Related Customer Premises Equipment for Persons with Disabilities," 47 CFR Part 64, Subpart F;
- FTA regulations, "Transportation for Elderly and Handicapped Persons," 49 CFR Part 609;
- U.S. ATBCB regulations, "Electronic and Information Technology Accessibility Standards," 36 CFR Part 1194; and
- Any implementing requirements FTA may issue.

Contractor agrees to include these Contract terms, as modified to apply to each Subcontractor, in each subcontract issued pursuant to this Contract.

2. Equal Employment Opportunity.

- Race, Color, Creed, National Origin, Sex: In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, Contractor agrees to comply, and assures that each Subcontractor will comply, with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 CFR Parts 60 *et seq.*, (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note, and as further amended by Executive Order 13672, "Further

Amendments to Executive Order 11478, Equal Employment Opportunity in the Federal Government, and Executive Order 11246, Equal Employment Opportunity”), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect the work undertaken in the course of the project, by ensuring that applicants for employment are employed and employees are treated during employment without discrimination on the basis of their race, color, religion, national origin, disability, age, sexual origin, gender identity, or status as a parent. Such action shall include, but not be limited to, the following: 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. In addition, Contractor agrees to comply with any implementing requirements FTA may issue. Contractor further agrees to comply, and assures that each subcontractor will comply, with Federal prohibitions against discrimination on the basis of sex, including Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. § 1681 et seq.; DOT regulations, “Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance,” 49 CFR Part 25; and Federal transit law, specifically 49 U.S.C. § 5332.

- Age: Contractor agrees to comply, and assures that each Subcontractor will comply, with Federal prohibitions against discrimination on the basis of age, including (i) the Age Discrimination in Employment Act, 29 U.S.C. §§ 621-634; (ii) U.S. Equal Employment Opportunity Commission (“EEOC”) regulations, “Age Discrimination in Employment Act,” 29 CFR Part 1625, which implements the Age Discrimination in Employment Act; (iii) the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101 et seq., which prohibits discrimination against individuals on the basis of age in the administration of programs or activities receiving Federal funds; (iv) U.S. Health and Human Services regulations, “Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance,” 45 CFR Part 90, which implements the Age Discrimination Act of 1975, and (v) Federal transit law, specifically 49 U.S.C. § 5332. In addition, the Contractor agrees to comply with any other implementing requirements FTA may issue.
- Disabilities: Contractor agrees to comply, and assures that each Subcontractor will comply, all applicable Federal laws and regulations against discrimination on the basis of disability, including without limitation: (i) Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, which prohibits discrimination on the basis of disability in the administration of federally funded programs or activities; (ii) the Americans with Disabilities Act of 1990 (“ADA”), as amended, 42 U.S.C. § 12101 et seq., which requires that accessible facilities and services be made available to individuals with disabilities; (iii) the Architectural Barriers Act of 1968, as amended, 42 U.S.C. § 4151 et seq., which requires that buildings and public accommodations be accessible to individuals with disabilities; (iv) Federal transit law, specifically 49 U.S.C. § 5332, which includes disability as a prohibited basis for discrimination; (v) DOT regulations, “Transportation Services for Individuals with Disabilities (ADA),” 49 CFR Part 37, “Nondiscrimination on the Basis of Disability in Programs and Activities Receiving or Benefiting from Federal Financial Assistance,” 49 CFR Part 27, and “Transportation for Individuals with Disabilities: Passenger Vessels,” 49 CFR Part 39; (vi) Joint U.S. Architectural and Transportation Barriers Compliance Board (“ATBCB”) and DOT regulations, “Americans

With Disabilities (ADA) Accessibility Specifications for Transportation Vehicles,” 36 CFR Part 1192 and 49 CFR Part 38; (vii) DOJ regulations, “Nondiscrimination on the Basis of Disability in State and Local Government Services,” 28 CFR Part 35, and “Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities,” 28 CFR Part 36; (viii) EEOC regulations, “Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act,” 29 CFR Part 1630; (ix) U.S. Federal Communications Commission regulations, “Telecommunications Relay Services and Related Customer Premises Equipment for Persons with Disabilities,” 47 CFR Part 64, Subpart F; (x) ATBCB regulations, “Electronic and Information Technology Accessibility Standards,” 36 CFR Part 1194; (xi) FTA regulations, “Transportation for Elderly and Handicapped Persons,” 49 CFR Part 609; and (xii) all other applicable laws and amendments pertaining to access for seniors or individuals with disabilities, and applicable Federal civil rights and nondiscrimination guidance. In addition, the Contractor agrees to comply with any implementing other requirements FTA may issue.

The Contractor agrees to include these Contract terms, as modified to apply to each Subcontractor, in each subcontract issued pursuant to this Contract.

Safe Operation of Motor Vehicles:

1. **Seat Belt Use:** The Contractor is encouraged to adopt and promote on-the-job seat belt use policies and programs for its employees and other personnel that operate company-owned vehicles, company- A-60 rented vehicles, or personally operated vehicles. The terms “company-owned” and “company-leased” refer to vehicles owned or leased either by the Contractor or GPM.
2. **Distracted Driving:** The Contractor agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Contractor owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the work performed under this agreement.
3. Contractor agrees to include these contract terms, as modified to apply to each subcontractor, in each subcontract issued pursuant to this Contract.

Cargo Preference: Pursuant to U.S. Maritime Administration regulations, “Cargo Preference—U.S.-Flag Vessels,” 46 CFR Part 381, to the extent those regulations apply to the Contract work, Contractor agrees to (i) use privately owned U.S.-flag commercial vessels to ship at least 50% 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 the underlying Contract to the extent such vessels are available at fair and reasonable rates for U.S.-flag commercial vessels; (ii) furnish within 20 working 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 the preceding

paragraph to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590, marked with appropriate identification of the project; and (iii) include these Contract terms, as modified to apply to each Subcontractor, in all subcontracts issued pursuant to this Contract when the subcontract may involve the transport of equipment, material or commodities by ocean vessel.

Fly America: Contractor agrees to comply with 49 U.S.C. § 40118 (the “Fly America” Act) in accordance with the General Services Administration’s regulations at 41 CFR Part 301-10, which provide that recipients and sub-recipients of federal funds and their contractors are required to use U.S. flag air carriers for U.S. Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S. flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. Contractor agrees to include this Contract term, as modified to apply to each Subcontractor, in all subcontracts issued pursuant to this Contract that may involve international air transportation.

Termination: The following provisions apply unless the underlying Contract provides for terminating the Contract for convenience or for cause, in which case the provisions of the underlying Contract shall control:

1. **Termination for Convenience:** The performance of work under the Contract may be terminated by GPM in whole, or from time to time in part, with at least 7 days’ prior written notice to Contractor. Any such termination shall be affected by delivery to the Contractor of a notice of termination specifying the extent to which performance of the work under the Contract is terminated and the date upon which such termination becomes effective. Upon receipt of a notice of termination, and except as otherwise directed by GPM, Contractor shall, to the extent possible, (i) stop work under the Contract on the date and to the extent specified in the notice of termination; (ii) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the work under the Contract as is not terminated; (iii) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; (iv) transfer title to GPM and deliver in the manner, at the times, and to the extent, if any, directed by GPM, non-proprietary supplies, equipment, and other material produced as a part of, or acquired in connection with the performance of, the work terminated, and any information and other property which, if the Contract had been completed, would have been required to be furnished to GPM provided that GPM reimburses Contractor for all related costs and expenses; and (v) complete any such part of the work as shall not have been terminated by the notice of termination. Undisputed payments by GPM to Contractor shall be made by the effective date of termination, including

with respect to the portion of any completed work and related costs and expenses so terminated. Except as otherwise provided, settlement of claims by Contractor under this termination section shall be in accordance with the provisions set forth in 48 C.F.R. Part 52, subpart 52.249-2, as amended from time to time, except that wherever the word "Government" or "Contracting Officer" appears it shall be deleted and "GPM" shall be substituted in lieu thereof.

2. Termination by Mutual Agreement: The Contract may be terminated by mutual agreement of the Parties. Such termination shall be effective in accordance with a written agreement by the Parties.
3. Termination for Default: GPM may terminate the whole or any part of this Contract if Contractor (i) fails to make delivery of the supplies or perform the work within the time specified in the underlying Contract or any extension thereof as required under the Contract, or (ii) fails to perform any of the material provisions of the Contract in accordance with its terms. If GPM determines that an event of default has occurred, it shall notify Contractor in writing and provide Contractor within 30 days in which to cure such default; provided that if Contractor demonstrates to GPM's satisfaction that it would reasonably take longer to cure such default due to causes beyond the control of Contractor, Contractor shall commence the cure during such 30-day period and diligently prosecute such cure to completion thereafter. If Contractor fails to cure within such cure period, GPM may declare Contractor to be in default and terminate the Contract in whole or in part. In the event that GPM terminates for default the Contract in whole or in part, GPM may procure, upon such terms and in such manner as GPM may deem appropriate and at GPM's cost and expense, supplies or services similar to those so terminated. Contractor shall be liable to GPM for any excess costs for such similar supplies or services, and shall continue the performance of the Contract to the extent not terminated. Except as otherwise provided, settlement of claims by Contractor under this section shall be in accordance to the provisions set forth in 48 C.F.R. Part 52, subpart 52.249-2, as amended from time to time, except that wherever the word "Government" or "Contracting Officer" appears it shall be deleted and "GPM" shall be substituted in lieu thereof.
4. Liability. In the event of any termination, GPM shall pay only for supplies or services completed and satisfactory for acceptance by GPM up to the date of termination. Payment for completed supplies or services accepted by the GPM shall be at the Contract price. GPM may withhold from amounts otherwise due to Contractor for such completed supplies or services such sum as GPM determines to be necessary to protect GPM against loss because of outstanding liens or claims of former lien holders. Other than any outstanding payment obligations, GPM shall have no other obligation to Contractor, of any kind, after the date of termination. In the event that either party elects to waive its remedies for any breach by the other party of any covenant, term, or condition of this Contract, such waiver shall not limit the waiving party's remedies for any succeeding breach of that or of any other covenant, term, or condition of this Contract. This section shall survive termination of the Contract.

Preference for Recycled Products: Contractor agrees comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, as applicable. 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 competition, 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 the EPA guidelines.

Conflict of Interest: By entering into this contract with GPTD to perform or provide work, services, or materials, Contractor has thereby covenanted that it has no direct or indirect pecuniary or proprietary interest, and that it shall not acquire any interest, which conflicts in any manner or degree with the work, services, or materials required to be performed and/or provided under this contract and that it shall not employ any person or agent having any such interest. In the event that Contractor or its agents, employees, or representatives hereafter acquires such a conflict of interest, it shall immediately disclose such interest to GPTD and take action immediately to eliminate the conflict or to withdraw from this contract, as GPTD may require.

Disadvantaged Business Enterprises: To the extent authorized by applicable Federal law and regulation, Contractor agrees to, and assures that each subcontractor will, facilitate participation by small business concerns owned and controlled by socially and economically disadvantaged individuals, also referred to as Disadvantaged Business Enterprises (“DBEs”), as follows:

1. Contractor agrees to comply with (i) Section 1101(b) of SAFTEA-LU, “Moving Ahead for Progress in the 21st Century” (MAP-21), 23 U.S.C. § 101; (ii) DOT regulations, “Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs,” 49 CFR Part 26, and (iii) Federal transit law, specifically 49 U.S.C. § 5332.
2. Contractor will not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. Contractor agrees to carry out applicable requirements of 49 CFR Part 26 in the administration of this contract and the award and administration of any subcontract issued pursuant to this contract. Failure by 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 GPTD deems appropriate, which may include, but is not limited to withholding monthly progress payments, assessing sanctions, liquidated damages, or disqualifying Contractor from future bidding as non-responsible.
3. Contractor agrees to include these contract terms, as modified to apply to each subcontractor, in each subcontract issued pursuant to this contract.

Small & Minority Businesses; Women’s Business Enterprises: Contractor agrees to take all necessary affirmative steps to assure that minority firms, women’s business enterprises, and labor surplus area firms are used when possible. Affirmative steps include: (i) placing qualified small & minority businesses and women’s business enterprises (“SMBWBEs”) on solicitation lists; (ii) assuring that SMBWBEs are solicited whenever they are potential sources; (iii) dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by SMBWBEs; (iv) establishing delivery schedules, where requirements permit, that encourage participation by SMBWBEs; and (v) using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce. Contractor agrees to include this contract term, as modified to apply to each subcontractor, in each subcontract issued pursuant to this contract.

Energy Conservation: Contractor agrees to comply with the mandatory energy efficiency standards and policies within the applicable state energy conservation plans issued in compliance with the Energy Policy and Conservation Act, 42 U.S.C. § 6321 *et seq.*

Environmental Protection: Contractor agrees to comply with all applicable requirements of the National Environmental Policy Act of 1969 (“NEPA”), as amended, 42 U.S.C. §§ 4321-4335, consistent with Executive Order No. 11514, as amended, “Protection and Enhancement of Environmental Quality,” 42 U.S.C. § 4321 note; FTA statutory requirements on environmental matters, 49 U.S.C. § 5324(b); Council on Environmental Quality regulations on compliance with NEPA, as amended, 40 CFR Part 1500 *et seq.*; joint Federal Highway Administration (“FHA”)-FTA regulations, “Environmental Impact and Related Procedures,” 23 CFR Part 771 and 49 CFR Part 622; and any other applicable State and Federal environmental laws and regulations.

Debarment and Suspension: This Contract is a covered transaction for purposes of 49 CFR Part 29. Contractor agrees to review, and assures that all subcontractors will review, the U.S. General Services Administration (“GSA”) “System for Award Management,” <https://www.sam.gov> and the Excluded Parties Listing System at <http://epls.arnet.gov> before entering into any subcontracts. Contractor further agrees to and assures that all subcontractors will enter into no arrangement to participate in the development or implementation of this project with any party that is debarred or suspended, pursuant to DOT regulations, “Nonprocurement Suspension and Debarment,” 2 CFR Part 1200; U.S. Office of Management and Budget (“OMB”), “Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” 2 CFR Part 180, including any amendments thereto; Executive Orders Nos. 12549 and 12689, “Debarment and Suspension,” 31 U.S.C. § 6101 note; and other applicable Federal laws, regulations, or guidance regarding participation with debarred or suspended subcontractors. Contractor agrees to comply with said requirements throughout the term of this Contract. Contractor hereby certifies that none of the Contractor, its principals as defined at 49 CFR 29.995, or affiliates as defined at 49 CFR 29.905, are presently debarred, suspended, proposed for debarment, declared ineligible, or involuntarily excluded or disqualified as defined at 49 CFR 29.940 and 29.945 from participation in this Contract by any Federal department or agency. Contractor certifies that the above statements are

a material representation of fact upon which reliance is placed by GPM. If it is later determined that Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, GPM may terminate this transaction for cause of default. Upon request, Contractor shall provide GPM with a certification addressing its debarment and suspension status, if any, and that of its principals, Contractor shall promptly inform GPM of any change in the suspension or debarment status of Contractor or its principals or subcontractors during the term of the Contract. Contractor agrees to include these Contract terms, as modified to apply to each subcontractor, in each subcontract issued pursuant to this Contract.

Patent Rights and Rights in Data, Intellectual Property Rights: This project is funded through a Federal award with FTA for experimental, developmental, or research work purposes. As such, certain Patent Rights and data Rights apply to all subject data first produced in the performance of this contract. The contractor shall grant the agency intellectual property access and licenses deemed necessary for the work performed under this agreement and in accordance with the requirements of 37 C.F.R. part 401, “Rights to Inventions Made by Non-profit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by FTA or U.S. DOT. The terms of an intellectual property agreement and software license rights will be finalized prior to execution of this agreement and shall, at a minimum, include the following restrictions: Except for its own internal use, the contractor may not publish or reproduce subject data in whole or in part, or in any manner or form, nor may the contractor authorize others to do so, without the written consent of FTA, until such a time as FTA may have either released or approved the release of such data to the public. This restriction on publication, however, does not apply to any contract with an academic institution. For purposes of this agreement, the term “subject data” means recorded information whether or not copyrighted, and that is delivered or specified to be delivered as required by the contract. Examples of “subject data” include, but are not limited to computer software, standards, specifications, engineering drawings and associated lists, process sheets, manuals, technical reports, catalog item identifications, and related information, but do not include financial reports, costs analyses, or other similar information used for performance or administration of the contract.

1. The Federal Government reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use for “Federal Government Purposes,” any subject data or copyright described below. For “Federal Government Purposes,” means use only for the direct purposes of the Federal Government. Without the copyright owners’ consent, the Federal Government may not extend its Federal license to any other party. Any subject data developed under the contract, whether or not a copyright has been obtained; and any rights of copyright purchased by the contractor using Federal assistance in whole or in part by the FTA.

2. Unless FTA determines otherwise, the contractor performing experimental, developmental, or research work required as part of this contract agrees to permit FTA to make available to the public, either FTA's license in the copyright to any subject data developed in the course of the contract, or a copy of the subject data first produced under the contract for which a copyright has not been obtained. If the experimental, developmental, or research work, which is the subject of the contract, is not completed for any reason whatsoever, all data developed under the contract shall become subject data as defined herein and shall be delivered as the Federal Government may direct.
3. Unless prohibited by state law, upon request by the Federal Government, the contractor agrees to indemnify, save, and hold harmless the Federal Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the contractor of proprietary rights, copyrights, or right of privacy, arising out of the publication, translation, reproduction, delivery, use, or disposition of any data furnished under that contract. The contractor shall be required to indemnify the Federal Government for any such liability arising out of the wrongful act of any employee, official, or agents of the Federal Government.
4. Nothing contained in this clause on rights in data shall imply a license to the Federal Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Federal Government under any patent.
5. Data developed by the contractor and financed entirely without using Federal assistance provided by the Federal Government that has been incorporated into work required by the underlying contract is exempt from the requirements herein, provided that the contractor identifies those data in writing at the time of delivery of the contract work.
6. The contractor agrees to include these requirements in each subcontract for experimental, developmental, or research work financed in whole or in part with Federal assistance.

Compliance with Federal Lobbying Policy: Contractor shall file the certification required by 49 CFR Part 20, "New Restrictions on Lobbying." Contractor agrees that neither it nor any Subcontractor shall or has used any Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of GPM, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress on matters that involve the project, including the performance, extension, continuation, renewal, amendment, or modification of this Contract, in accordance with 31 U.S.C. § 1352, as amended; U.S. DOT regulations, "New Restrictions on Lobbying," 49 CFR Part 20; and other applicable Federal laws, regulations, and guidance prohibiting the use of Federal funds for any activity concerning legislation or appropriations designed to influence the U.S. Congress or a State legislature, except as permitted by applicable Federal law, regulations, or guidance. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying

contacts on its behalf with non-federal funds with respect to that federal Contract, grant or award covered by 31 U.S.C. § 1352. Such disclosures are forwarded from tier to tier up to GPM. Contractor shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Contractor shall forward such disclosures from tier to tier up to GPM. Contractor agrees to include this contract term, as modified to apply to each subcontractor, in each subcontract issued pursuant to this Contract.

Clean Water Requirements: Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq.*; the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. § 300f *et seq.*; and Executive Order No. 11738, “Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans,” 42 U.S.C. § 7606 note. Contractor agrees to report each violation to GPM and understands and agrees that GPM shall, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office. Contractor also agrees to include this Contract term, as modified to apply to each Subcontractor, in each subcontract exceeding \$100,000 issued pursuant to this Contract.

Clean Air Requirements: Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 *et seq.* The Contractor agrees to report each violation to GPM and understands and agrees that GPM shall, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office. Contractor also agrees to include the above Contract term, as modified to apply to each Subcontractor, in each subcontract exceeding \$100,000 issued pursuant to this Contract.

Employee Protections—Wage and Hour Requirements: Contractor agrees to comply, and assures that all subcontractors will comply, with all applicable Federal laws and regulations providing wage and hour protections for construction and non-construction employees, including (i) Section 102 of the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. § 3702, and other relevant parts of that Act, 40 U.S.C. § 3701 *et seq.*, and U.S. Department of Labor (“DOL”) regulations, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Non-construction Contracts Subject to Contract Work Hours and Safety Standards Act,” 29 CFR Part 5. Accordingly, Contractor shall comply with the following Contract terms and insert said terms in full in any contract or subcontract in excess of \$100 if the contract or subcontract may require or involve the employment of laborers or mechanics and if it is not contemplated that the contract or subcontract will be a contract for supplies, materials, or articles ordinarily available in the open market or any other type of contract exempt from the Contract Work Hours and Safety Standards Act, pursuant to 40 U.S.C. § 3701(b):

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.
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, Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, Contractor and subcontractor shall be liable to the United States 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 of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard work week of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.
3. Withholding For Unpaid Wages And Liquidated Damages. GPM 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 any moneys payable on account of work performed by Contractor or subcontractor under any such Contract or 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, which is held by the same Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.
4. Subcontracts. Contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

In addition to the aforementioned four provisions, in any contract subject only to the Contract Work Hours and Safety Standards Act, Contractor shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, Contractor shall cause or require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the

(write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

Buy America: Contractor agrees to comply with 49 U.S.C. § 5323(j); FTA regulations, “Buy America Requirements,” 49 CFR Part 661, and subsequent amendments to those regulations that may be promulgated; and any implementing guidance that FTA may issue. Contractor also agrees to comply with FTA directives to the extent those directives are consistent with SAFTEA-LU, “Moving Ahead for Progress in the 21st Century” (MAP-21), 23 U.S.C. § 101.

Disputes: The following provisions apply unless the underlying Contract provides for a dispute resolution mechanism, in which case the provisions of the underlying Contract shall control:

1. **Resolution.** Any dispute between Contractor and GPM relating to the implementation or administration of the Contract shall be resolved in accordance with this section. The Parties shall first attempt to resolve the dispute informally in meetings or communications among representatives of the Parties. If the dispute remains unresolved 15 days after it first arises, either party may seek resolution through non-binding mediation (the mediation shall be conducted in Portland, Maine by a mediator mutually agreeable to the Parties, shall not exceed one full day or two half days in length, and shall be completed within 60 days from the date of receipt of notice of a request for mediation by the last Party to receive notice; the Parties shall share equally the costs of the mediator), and failing agreement after mediation judicial resolution of the dispute in an appropriate court of the State of Maine. This dispute resolution mechanism shall be binding upon the successors, assigns, foreclosing mortgagee, and any trustee or receiver of the Parties. Unless otherwise directed by GPM, Contractor shall continue performance under this Contract while matters in dispute are being resolved. The duties and obligations imposed by this Contract and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law. No action or failure to act by GPM or the Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.
2. **FTA Notification; Interest in Recovery.** The Parties acknowledge that FTA has a vested interest in the settlement of any dispute, breach, default, or litigation involving the project. Accordingly:
 - A. **Notification to FTA.** Contractor shall notify GPM, and GPM shall in turn notify FTA, of any current or prospective major dispute, breach, default, or litigation that may affect the Federal Government’s interests in the Project or the Federal Government’s administration or enforcement of Federal laws or regulations.
 - B. **Federal Interest in Recovery.** The Federal Government retains the right to a proportionate share, based on the percentage of the Federal share awarded for the Project, of proceeds derived from any third-party recovery.

- C. Enforcement. To the extent required by applicable law or regulations, or by the FTA, GPM agrees to pursue all legal rights provided within this Contract or any third-party contract.
- D. FTA Concurrence. FTA reserves the right to concur in any compromise or settlement of any claim involving the Project and GPM.

Exhibit A- Contractors Agreement

CLEVER DEVICES'
HARDWARE WARRANTY
AND
SOFTWARE MAINTENANCE AGREEMENT
FOR
GREATER PORTLAND TRANSIT DISTRICT - METRO

OCTOBER 5, 2021

CLEVER DEVICES' TRADEMARKS

Clever Devices®
AVM®
BusLink®
BusLink Switch®
BusTime®
BusTools®
BusWare™
CleverAnalytics®
CleverCAD®
CleverCare®
CleverCERT®
CleverCounter™
CleverReports®
CleverWare™
CleverWorks®
GH7™
GreyHawk 7™
IncidentAnalytics™
Incident Management™
IdleMonitor®
Intelligent Vehicle Network®
IVN®
Mtram®
M.A.I.O.R.®
PerfectNav™
Seymor®
SpeakEasy®
SmartYard®
TurnWarning®

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DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the meanings set forth below:

TERM	DEFINITION
“Additional Services”	Any future service not defined in this Agreement or included in the Statement of Work or Scope of Work.
“Agreement”	Means this Hardware Warranty and Software Maintenance Agreement, consisting of the signature pages, the Terms and Conditions, all exhibits, annexes, appendices, addenda and schedules, and each Amendment, if any.
“Category 1 Issue(s)”	Are/is a major systems failure(s). This includes any issue that prevents the full system or a subsystem from being used reliably.
“Category 2 Issue(s)”	Are / is a minor system failure(s). A minor system failure is any failure that prevents a subsystem from being used efficiently.
“Customer”	Refers to the Transit Authority who is a party to this Agreement.
“General Field Service Rates”	Rates for services not covered under a service agreement.
“Hardware Product(s)”	Means the Clever Devices’ goods provided to Customer per the initial agreement between Customer and Clever Devices.
“Hardware Warranty”	It is the repair or replacement of returned faulty hardware during the specified Warranty Period. This applies to onboard equipment provided by Clever Devices.
“Intelligent Transportation System” or “ITS”	The Hardware and software comprising the Clever Devices solution deployed at Customer.
“Maintenance Period”	The duration of the maintenance subject to the terms and conditions as specified in Section 3.2 of this Agreement.
“No Problem Found” or “NPF”	A fully functional product with no need for repair.
“Non-Warranty Repairs”	Any causes defined in the Agreement as not covered by the Hardware Warranty.
“Non-Warranty Product” or “Non-Warranty Parts”	Are products or parts provided that are not covered under this Agreement or any other existing agreement between Clever Devices and Customer.
“Owner of Failure”	Determination of responsible for product fault based on diagnostics.
“Remote Support”	Any support in which Clever Devices accesses the Customer’s system or network using a secure Virtual Private Network (VPN) connection.

“Resolution Tracking Number”	A categorized number assigned to a particular defect in the issue-tracking system.
“Scope of Work”	Referring to the scope of services offered in accordance with the Statement of Work.
“Software Enhancement(s)”	A change in Software functionality or graphical user interface
“Software Error(s)”	A flaw in Software that causes it to produce an incorrect or unintended result.
“Software Defect(s)”	A flaw in Software that causes it to produce an incorrect or unintended result.
“Software License(s)”	Means the rights granted to Customer in accordance with Clever Devices’ EULA, provided with the initial agreement between Clever Devices and Customer.
“Software Maintenance”	The maintenance provided for all components of the Software Product(s) purchased.
“Software Product(s)”	The specific Clever Devices’ licensed product(s).
“Software Service(s)”	Referring to acts of service by Clever Devices regarding the software deployed at Customer’s.
“Software Update(s)”	Either a modification or addition that, when made or added to the Software Product, brings the Software Product into material conformity with its published specifications. Software Updates are applied to Customer’s existing version of software and include bug fixes.
“Software Upgrade(s)”	New, standalone versions of a Software Product that may include major improvements and enhancements. An upgrade advances the product to a level of features or other enhancements which are above the original published and agreed specification, or product manual.
“Statement of Work”	The description of the services to be provided under this agreement between Clever Devices and Customer.
“Warranty Period”	Means, in relation to any Goods, the warranty period specified in this Agreement or in accordance with the proposal submitted in response to the Request for Proposal.

1 OVERVIEW

This document sets forth Terms and Conditions of the basic Hardware Warranty Agreement and the Software Maintenance Agreement (the “Agreement”) between Greater Portland Transit District - Metro and Clever Devices Ltd.

2 COMPANIES INVOLVED

2.1 CLEVER DEVICES LTD.

Clever Devices Ltd. (“Clever Devices”) is a service provider to Greater Portland Transit District - Metro.

Clever Devices’ Contact

Michael Medici
Senior Vice President, Service
Clever Devices
732-293-8726
mmedicii@cleverdevices.com

2.2 TRANSIT AUTHORITY

Greater Portland Transit District - Metro (“Customer”, “GPCOG - METRO”) is the end user entity of Clever Devices’ Intelligent Transportation Systems (ITS) Hardware and Software Products.

Greater Portland Transit District - Metro Contact

Glenn Fenton
207-517-3029
114 Valley Street
Portland, Maine 04102
gfenton@gpmetro.org

3 TERMS OF AGREEMENT

3.1 SCOPE OF AGREEMENT

This Agreement includes a Hardware Warranty and a Software Maintenance Agreement for the listed products, and a process for obtaining warranty service for the listed hardware products.

3.2 TERMS OF AGREEMENT

3.2.1 HARDWARE

The term of this Agreement is one (1) year from October 1, 2021 to September 30, 2022 starting during the deployment stage and the contracted warranty phase of this Agreement. Hardware Products no longer under Warranty or not covered by a current, valid Hardware Warranty Agreement will require a full technical audit to determine the system's functionality and health.

3.2.2 SOFTWARE

The term of this Agreement is one (1) year from October 1, 2021 to September 30, 2022 starting once the Software Warranty or previous Software Maintenance Agreement has expired. Support for licensed Software Products no longer under Warranty or not covered by a current, valid Software Maintenance Agreement will require repurchase of the Software License(s) or as otherwise mutually agreed upon between the parties in a signed writing.

3.3 ANNUAL RENEWAL AND EARLY TERMINATION

Clever Devices' Hardware Warranty and Software Maintenance Agreements renew automatically for one-year upon expiration of the current term, unless written notice is provided prior to the expiration date. Ninety (90) days before the expiration date, Clever Devices will invoice the renewal at an increase to the expiring Agreement at a rate no greater than 3%.

If early termination of this Agreement is exercised, a cancellation penalty of the cost of the remaining balance of this Agreement will apply.

4 HARDWARE WARRANTY AGREEMENT

This Hardware Warranty Agreement provides warranty Terms and Conditions that include scope, policies, and procedures for maintenance of Hardware Product(s) supplied by Clever Devices and identified herein.

4.1 COVERED HARDWARE PRODUCTS

The Clever Devices Hardware Products covered by this Agreement is referenced in Attachment A. If the quantity of products changes during the term of this Agreement, the resulting additional fee will be prorated for the remaining portion of this Agreement.

See attached Attachment A.

4.2 NEW MANUFACTURED PRODUCTS LIMITED WARRANTY

Clever Devices guarantees that each product is free from defects in material and workmanship. Clever Devices also guarantees the performance of this product for the contracted terms.

If the product fails to operate as specified and has not been tampered with or abused during this warranty period, Clever Devices or its authorized service agents will have the option to repair or replace the defective part or the product at no cost to the Customer. Bench fees will apply to any product received by Clever Devices with a “No Problem Found” (NPF) condition. NPF condition is defined as a fully functional product with no need for repair. Products returned with failures caused by improper use will be repaired and the appropriate charges will apply. Such services by Clever Devices will be the original purchaser’s sole and exclusive remedy.

It is the Customer’s responsibility to make certain new products are not being purchased for the replacement of defective products under warranty.

Clever Devices will not honor credit requests on any defective or used product. Product replacement will be the only option available to the Customer. At the discretion of Clever Devices, limited quantities of restockable product may be returned for credit; the product must be unused and in the original unopened containers. A 25% restocking fee will be charged and a credit will be issued only after the product has been received and inspected.

This warranty does not apply to: (a) damage caused by accident, abuse, misuse, misapplication or improper installation (b) damage caused by conditions outside Clever Devices’ specifications, including but not limited to vandalism, fire, water, temperature, humidity, dust or other perils (c) to damage caused by service (including upgrades) performed outside the product specifications in documentation provided and by anyone who is not a Clever Devices authorized Technician (d) a product or a part that has been modified without the written permission of Clever Devices or (e) if any Clever Devices’ serial number has been removed or defaced, (f) expendable or consumable parts, such as batteries and flashcards.

Clever Devices will not be liable for any special, incidental, or consequential damages for loss, damage directly or indirectly arising from Customer’s use or inability to use the equipment either separately or in combination with other equipment, or for personal injury or loss or destruction of other property, or from any other cause.

4.3 WARRANTY REPAIR POLICY

A replacement or repaired product assumes the remaining warranty of the original product or 90 days post repair, whichever provides longer coverage. When a product is exchanged, the replacement product becomes the Customer’s property and the replaced product becomes the property of Clever Devices.

4.4 SPARE PARTS INVENTORY

In support of this Agreement, the Customer should maintain an inventory of Clever Devices' system components at the recommended level for use during completion of repairs. The Customer's Technician shall remove and replace a defective component with a spare and send the defective component to Clever Devices for analysis and repair or replacement. Shipping fees for repair units are covered on an individual event basis and not included in the service price. If there is no unit in the spares pool to support remove/replace/restoration activity, the repair will be delayed until spare equipment is delivered to the property.

4.5 OBTAINING WARRANTY SERVICE

The Customer is responsible for returning any defective products to Clever Devices. Products will not be accepted without a Return Merchandise Authorization (RMA) number. The Customer shall obtain an RMA number by contacting Clever Devices' Customer Service Department using the below. Clever Devices will respond to RMA requests within two (2) business days.

Customer Service Telephone: 1-888-478-3359

Customer Service Email Address: CSReturns@CleverDevices.com

In order to provide an RMA number, Clever Devices will need the following information:

- Item Description
- Clever Devices Part Number
- Serial Number
- Quantity being returned
- Reason for Return
- Bus Number, if applicable

Upon receipt of an RMA number, the Customer may send the product(s) to Clever Devices using the address indicated below. The Customer is responsible to ensure secure packaging of the product in the original box in which it was received. Boxes and shipping materials can be purchased from Clever Devices for a nominal fee. Clever Devices is not responsible for any damage to the product caused during transit or for any package lost in transit. The Customer shall assume the cost of all defective product shipments made to Clever Devices.

Return Shipping Address:

Clever Devices Ltd.
300 Crossways Park Drive
Woodbury, NY 11797
Attn: Customer Service Department
RMA Returns: RMA#....

4.6 FAILURE ANALYSIS

A Clever Devices' Bench Technician will evaluate products received and complete a Failure Analysis. If the product is repairable, Clever Devices will repair the product. If the product is not repairable, Clever Devices will replace the product with another from Clever Devices' inventory. The "Owner of Failure" will be assessed during evaluation and shall be reported to the Customer at time of completion. Clever Devices will make a best effort to return the repaired product or provide a replacement within 30 days of receiving it from the Customer. Clever Devices will provide the Customer with a detailed quotation and/or invoice for all costs associated with Non-Warranty Repairs.

4.7 REPAIR

Upon a completed Failure Analysis and repair, if applicable, product(s) will be shipped back to the Customer. Clever Devices will only incur the cost for shipping products under warranty; the Customer is responsible for shipping cost for all Non-Warranty Repairs or replacements and/or “No Problem Found” conditions.

Customers may contact Clever Devices at any time during the warranty service process, for information regarding status.

4.8 NON-WARRANTY REPAIR POLICY

A Non-Warranty Repair is a repair made outside the scope of this maintenance Agreement and includes vandalism. Non-Warranty Products and Parts that are returned to a Clever Devices facility for repair are subject to a bench fee on a time and materials basis. Clever Devices will invoice the Customer at a bench technician labor rate of \$170.00 per hour for the first hour, and \$85.00 per hour for each additional hour. A minimum of 1 hour will be charged for labor; after the first hour, labor will be charged to the nearest ½ hour. Non-warranty Repairs made in the field will be subject to the General Field Service Rates detailed below.

Repairs made by Clever Devices on products not under warranty carry a limited repair warranty of 90 days on services and replacement parts only. Defects in repair work or any parts replaced by Clever Devices will be corrected at no charge if the defect occurs within 90 days from shipment from our facility.

4.9 GENERAL FIELD SERVICE RATES

Field Service rates include actual cost of transportation using commercial coach, air, rail, bus, rental car, and cab facilities as applicable, including transportation to and from the airport. Receipts are required.

Mileage Allowance:	IRS Allowable rates
Personal Expenses:	Per Diem rates
Basic Rates:	\$150.00** per hour flat fee for actual time in Customer’s plant and for round-trip travel time for a Field Service Technician.
Miscellaneous:	Actual charges for other necessary items such as tolls, parking and freight charges.

**Rates for Field Service Technicians may vary because of weekend/holiday rates. Overtime rates are billed at time and a half. Requests for service which require personnel other than a Field Service Technician will be provided at time of request.

4.10 NON-CLEVER DEVICES PRODUCT RECEIVED FOR REPAIR

Product(s) received by Clever Devices for repair that were not manufactured or supplied by Clever Devices shall be returned to Customer. Customer shall be responsible for the shipping cost(s) associated with of each product, along with a processing fee.

5 SOFTWARE MAINTENANCE AGREEMENT

This Software Maintenance Agreement provides Terms and Conditions that include definitions and maintenance procedures for the Software Product(s) supplied by Clever Devices and identified under section 5.1, Covered Software Products. This Agreement is subject to the End User License Agreement (EULA) for these product(s) and performance of features and functions as outlined in the User Manual or Acceptance Test Procedure document.

5.1 COVERED SOFTWARE PRODUCTS

The Clever Devices Software Products covered by this Agreement is referenced in Attachment B. If the quantity of products changes during the term of this Agreement, the resulting additional fee will be prorated for the remaining portion of this Agreement.

See attached Attachment B.

5.2 GENERAL DEFINITIONS

Customer:	The single end-user organization (license holder of the Software Product) signing this Agreement and authorized to use the Program(s).
Software Product:	The specific Clever Devices licensed product(s).
Software Update(s):	Either a modification or addition that, when made or added to the Software Product, brings the Product into material conformity with its published specifications. Software Updates are applied to Customer's existing version of software and include bug fixes.
Software Upgrade(s):	New, standalone versions of a Software Product that may include major improvement and enhancements. An upgrade advances the product to a level of features or other enhancements which are above the original published and agreed specification, or product manual.
Software Maintenance:	The maintenance provided for all components of the Software Product purchased.
Maintenance Period:	The duration of the maintenance subject to the terms and conditions as specified in section 3 "Terms of Agreement".

5.3 SCOPE OF MAINTENANCE SUPPORT

During the maintenance term, Clever Devices agrees to provide basic maintenance services in support of the licensed Software Product. Maintenance services shall consist of:

Software Update(s):	Customers with valid Software Maintenance Agreements are entitled to Software Updates for all licensed products. Software Updates may incorporate corrections of any substantial defects or fixes of any minor malfunction. In addition, Software Updates may include Software Enhancements to the Software that are implemented at the sole discretion of Clever Devices. Software Updates do not cover Clever Devices' *deployment labor, training, hardware upgrades, data or data backups.
Software Upgrade(s):	Customers with valid Software Maintenance Agreements are entitled to Software Upgrades for all licensed products. Software Upgrades do not cover Clever Devices' *deployment labor, training, hardware upgrades, data or data backups.

Software Error and Defect Corrections: Clever Devices shall be responsible for using all reasonable diligence to correct verifiable and reproducible errors when reported to Clever Devices in accordance with its standard reporting procedures. Reported defects will be reviewed by Clever Devices. Reported defects are defined as:

- ***Defect:** To be corrected by the next maintenance release. Deployment labor will not be charged to correct any defects, including bugs fixes.
- **Enhancement:** Desirable enhancement which will be reviewed for inclusion in the next maintenance release.

Error and release testing will be performed at Clever Devices' offices. Reported errors will be tested on a test platform in a controlled environment. If applicable, GPCOG - METRO will supply Clever Devices with a copy of the most current database associated with software version for which errors have been reported.

5.4 TECHNICAL SUPPORT

For all Clever Devices' products covered under warranty or by a current, valid Maintenance Agreement, Clever Devices' service organization provides technical support 24 hours a day, 7 days a week, 365 days a year. Regular business hours are Monday through Friday, 8:30am to 5:30pm Eastern Time. All other times are considered "after-hours". Clever Devices will escalate issues to third-party vendors for Clever Devices' Products running third-party application software.

5.4.1 ISSUE REPORTING

GPCOG - METRO is responsible for reporting all discovered issues to Clever Devices' Technical Support Department. Once Clever Devices is contacted by phone or email, a Technical Support Representative and the Technical Supervisor are notified; if necessary, the Vice President of Service and OEM are also notified.

Clever Devices routinely provides agencies two methods for requesting technical support: using a toll-free number or email to our Technical Support service. Contacts for Clever Devices' service and support during regular business hours are as follows:

Technical Support Number: 1-888-478-3359
Email Address: TechnicalSupport@CleverDevices.com

All after-hour calls should only be made to the Technical Support Department phone. After-hour calls will be forwarded to an answering service and then to a Clever Devices on-call Technical Support Representative.

5.5 ISSUE TRACKING AND RESOLUTION

Upon receipt of a support request, our Technical Support Department proceeds to resolve the issue as follows below.

5.5.1 DETERMINE PRIORITY

A Technical Support Representative determines the issue's priority using the categories described below.

Category 1 Issue: Category 1 Issues are defined as major systems failures. Category 1 Issues includes any issue that prevents the full system or a subsystem from being used reliably. Category 1 Issues are assigned the highest priority, and patches are provided as quickly as possible. Workaround concepts are considered and put in place to minimize operational impact to the agency.

Category 2 Issue: Category 2 Issues are defined as minor system failure(s). A minor system failure is defined as any failure that prevents a subsystem from being used efficiently. Category 2 Issues are assigned a lower priority (than Category 1) and when resolved, will be corrected by a patch included in the next maintenance update release.

5.6 TRACK AND RESOLVE ISSUE

Clever Devices utilize a tracking system to manage and store Customer issues, reported defects and any new features, and improvements made during our software development lifecycle. Once categorized, issues will be entered into the tracking system and monitored through closure. The issue-tracking system will assign a Resolution Tracking Number that will be provided to Customer. Upon discovery of an error, and if requested by Clever Devices, Customer agrees to submit a listing of any data, including data log files, so we may reproduce the error and the operating conditions under which the error occurred or was discovered.

5.7 REMOTE SUPPORT

With permission from GPCOG - METRO, Clever Devices will provide Customer with Remote Support as necessary, using a secure Virtual Private Network (VPN) connection. Through this connection Clever Devices will have the ability to logon to Customer's internal network and then access the deployed system(s) to assess and diagnose issues, update code, or deliver bug fixes.

Clever Devices agrees to comply with the Customer's ITS connection policy, barring the policy and procedure does not impede troubleshooting or functionality of Clever Devices' system. Clever Devices will not access Customer's internal network for any purpose other than technical online support, as provided in this proposal.

5.8 ADDITIONAL SERVICES

In support of the Software Product(s), Clever Devices may provide Additional services, per Agreement with the Customer, subject to payment of their normal charges and expenses. Additional Services may include

Upgrade and Update Installation/ Deployment Labor:	Clever Devices can offer assistance to help GPCOG - METRO test, install and operate each new release of licensed Software Products. This assistance will be quoted at the time of each request unless contracted for on an annual basis.
Custom Enhancements:	Clever Devices will consider and evaluate the development of additional enhancements for specific use and will respond to requests for Additional services pertaining to the Software Product. Each response for an enhancement will include a cost to produce the enhancement.
Integration:	Integration with third-party software initially, or resulting from changes or updates to those products, will be quoted upon request.

5.9 EXCEPTIONS

The following are not covered by this Software Maintenance Agreement:

- Any problems resulting from failures of the hardware platform on which the software is installed, or problems resulting from hardware or network devices connected or installed on the hardware platform on which the software is installed.
- Any problem resulting from misuse, improper use, alteration, or damage of the Software Product(s).

- Errors in any version of the Software Product(s) other than the most recent update delivered and deployed to Customer.
- Problems and errors resulting from improper installation of the delivered Software Product by the end user, or problems and errors resulting from the installation of software or hardware products not approved by Clever Devices for use with this product.

GPCOG - METRO will be responsible for paying Clever Devices' normal charges and expenses for time or other resources provided by Clever Devices to diagnose or attempt to correct any such problem. In addition, GPCOG - METRO will be responsible for procuring, installing, and maintaining all equipment, communication interfaces, and other hardware or software necessary to operate the Software Product(s) and to obtain maintenance services from Clever Devices. Clever Devices will not be responsible for delays caused by events or circumstances beyond its reasonable control.

Requests for support for licensed Software Products no longer under Warranty or not covered by a current, valid Software Maintenance Agreement will require repurchase of the Software License(s).

6 ADDITIONAL SCOPE OF WORK

Please see Attachment C, if applicable.

7 SIGNATURE PAGE

IN WITNESS WHEREOFF, the parties hereto have executed this Contract on the day and year first above written.

Clever Devices Ltd.

CONTRACTOR

By: _____
(Signature)

Name: _____
(Print)

Title: _____

Dated: _____

Greater Portland Transit District - Metro

CUSTOMER

By: _____
(Signature) Authorized Representative

Name: _____
(Print)

Title: _____

Dated: _____

Attachment A

Itemized list of covered Hardware Products

42	IVN Controller
42	Control Head
42	Wiring Harness
42	Antenna Tri-Band WLAN-GPS-IDEN
42	Gasket, Tri-Band Antenna Self-Adhesive
42	APC Controllers
15	LED Signs

Attachment B

Itemized list of covered Software Products

Product Name
AVA
APC Reporting
AVM
BusTime
CAD/AVL
DCC
Enghouse Sched21
CleverReports

8 PRICING

8.1 CONFIDENTIAL QUOTATION

ATTN:	Glenn Fenton	DATE:	October 5, 2021
COMPANY:	Metro	FAX:	
EMAIL:	gfenton@gpmetro.org	OPP ID #	0063s00000GhZ5D
		QR # in CRM	5971
ADDRESS:	207-517-3029	RE:	HW SW Maintenance Agreement
PHONE:			

Clever Devices is pleased to submit the following quotation, subject to the terms and conditions listed below.

Item	Qty	Description	Unit Price	Extended Price
1	1	Metro HW SW Maintenance Agreement October 1, 2021 - September 30, 2022	\$44,865.00	\$44,865.00
Total				\$44,865.00
Option Items				
2	1	Metro HW SW Maintenance Agreement October 1, 2022 - September 30, 2023	\$45,238.00	\$45,238.00
3	1	Metro HW SW Maintenance Agreement October 1, 2023 - September 30, 2024	\$45,631.00	\$45,631.00

Notes:

- Clever Devices is experiencing disruptions due to the global supply chain crisis, resulting in price increases and extended lead times. While we are working closely with our suppliers to optimize our inventory and negotiate pricing, changes are happening so rapidly that we are unable to control these issues to the extent that we have in the past. In the event of changes in the market conditions which impact costs and lead times, Clever Devices reserves the right to revise quoted prices and lead times prior to acceptance of a purchase order. Customers will be notified and afforded an opportunity to confirm purchase orders within five (5) business days from receipt of notice. We appreciate your patience and collaboration as we work through these challenges together.
- In light of the current COVID-19 pandemic, Clever Devices and our suppliers are subject to Federal mandates which may slow production. Emergency Federal and State mandates, such as “shelter in place” or self-isolation requirements, may affect our ability to provide support and service at an optimal level. If circumstances outside our control force us to revise the schedule or impact support and service levels, we will communicate this to Metro immediately and work with you to mitigate any disruption to the project and operations.
- Pricing is based on existing functionality and fleet count. Any future changes will result in revised pricing.

Payment Milestones:

- Project milestones will be defined and agreed upon prior to acceptance of purchase order.

8.2 CLEVER DEVICES' STANDARD TERMS AND CONDITIONS OF SALE

8.2.1 SOFTWARE LICENSE

Requirement for End-User License Agreement

- Purchaser acknowledges that all Clever Devices Ltd. ("Clever Devices") software is sold subject to acceptance of the terms of the End User Licensing Agreement ("EULA")
http://www.cleverdevices.com/wp-content/uploads/2021/04/Clever-Devices_EULA_RV20210428.pdf
- Any entity procuring Clever Devices licensed products which is not the end-user of the licensed product ("Non End-User"), such as but not limited to an Original Equipment Manufacturer to which Clever Devices is a supplier, is obligated to provide Clever Devices with the End-User License Agreement (covering the software licenses associated with the contents of this quotation/proposal) signed by an authorized official of the End-User. Failure by a Non End-User to provide such a properly executed Clever Devices EULA to Clever Devices shall make the Non End-User liable for any misappropriation or misuse of Clever Devices' products.

Obligations of Non End-User Procuring Entities

- Non End-Users are granted the right to install the licensed products and to test their functionality in the End-User designated space or equipment. Non End-Users do not have licenses to otherwise use or operate Clever Devices' products and no other licenses or rights to use are provided or implied by this Agreement

8.2.2 GENERAL

- All Purchase Orders must be sent to the following email address:
customerPO@cleverdevices.com
- Prices are quoted in US\$ unless otherwise specified
- Prices do not include shipping, sales tax or duties, which will be added if applicable
- Unit Prices are good only for the total number of units quoted. Lesser quantities may command a higher per unit cost because of certain fixed costs contained in the quote
- Prices quoted herein are valid for ninety (90) days from the date of quotation or proposal, and are applicable to the quantities covered by this quotation; any change in quantity, delivery or elimination of one or more items may require a revision to the prices quoted
- Orders for one bus set (i.e. pilot bus) must be part of a complete quantity order or must be accompanied by a Letter of Intent to order the entire quoted quantity
- Three percent (3%) Annual Escalation will apply for shipments and services beyond 2021
- Clever Devices shall be paid for the items quoted above as follows:
 - Payment terms are Net 30 days, subject to prior approval of our Credit Department
 - Unless otherwise specified, Clever Devices shall be paid for all deliverable items, terms Net 30 days from the date of shipment from Clever Devices, or when services rendered by Clever Devices are completed
 - No customer account shall be credited for parts returned without prior written authorization from Clever Devices and receipt of such goods

- Clever Devices' General Terms and Limits of Liability apply
- Unless specifically advised in the quote, lead time for Hardware and Services will be as advised by Clever Devices upon receipt of order. Standard lead time for hardware is sixteen (16) weeks from receipt of order, but Clever Devices stocks standard parts and if available will be shipped earlier. Delivery is F.O.B. Clever Devices Ltd., 300 Crossways Park Drive, Woodbury, NY 11797
- Clever Devices reserves the right, without advance notice, to make engineering or production changes, to include substitution of part numbers and/or vendor sources for components that may affect the design or specifications of its products, provided said modifications will not materially affect the performance of the product
- Unless negotiated and agreed to otherwise in writing, in no event is Clever Devices liable for consequential damage from late or non-delivery, malfunction or failure of its products, nor is Clever Devices liable for damage resulting from faulty installation. If Clever Devices performs repairs resulting from damage caused by installation, it will invoice the original installer for the cost of such repair
- Unless negotiated and otherwise agreed to in a signed writing by an authorized representative, the pricing is exclusive of any liquidated damages and is not an acceptance of any prime contract flow downs that are not regulatory in nature and applicable to Clever Devices' scope of work

8.2.3 CLEVER DEVICES' WARRANTY POLICY

Clever Devices' warranty obligations are limited to the terms set forth below:

- 1) New Manufactured Products Limited Warranty
 - a) Clever Devices guarantees for a period of one (1) year from original factory shipment that each product is free from defects in material and workmanship.
 - b) If the product fails to operate as specified and has not been tampered with or abused during this warranty period, Clever Devices or its authorized service agents shall either repair or replace any defective part or the product free of charge.
 - c) Bench fees will apply to any product received by Clever Devices with no-trouble-found. Products returned with failures caused by improper use or installation will be repaired and the appropriate charges will apply. Such services by Clever Devices shall be the original purchaser's sole and exclusive remedy. Clever Devices shall not be responsible for the cost of removal or installation of warranted products unless a prior written agreement has been reached at the time of the original purchase contract. Clever Devices' labor rate table will apply for all product replacement time.
 - d) Clever Devices will repair or replace, at Clever Devices' option, any defective product under warranty. Clever Devices will not honor credit requests on any defective used product. Product repair or replacement will be the only option available to the original Purchaser.
 - e) This warranty does not apply: (a) to damage caused by accident, abuse, misuse, misapplication or improper installation (b) to damage caused by conditions outside Clever Devices specifications including but not limited to vandalism, fire, water, temperature, humidity, dust or other perils (c) to damage caused by service (including upgrades) performed by anyone who is not a Clever Devices Authorized Technician (d) to a product or a part that has been modified without the written permission of Clever Devices or (e) if any of Clever Devices' serial number has been removed or defaced, or (f) expendable or consumable parts, such as batteries and flashcards.
 - f) Clever Devices shall not be liable for any special, incidental or consequential damages for loss, damage directly or indirectly arising from customer's use or inability to use the

equipment either separately or in combination with other equipment, or for personal injury or loss or destruction of other property, or from any other cause.

- 2) Warranty Repair Policy
 - a) A replacement or repaired product assumes the remaining warranty of the original product or 90 days, whichever provides longer coverage for the original purchaser. When a product is exchanged, any replacement product becomes the original purchaser's property and the replaced product becomes Clever Devices' property.
- 3) Obtaining Warranty Service
 - a) The original purchaser is responsible for returning any defective products to Clever Devices after obtaining a Returned Merchandise Authorization (RMA) number from Clever Devices' Customer Service Department at 888-478-3359. No products will be accepted without an RMA number. When requesting an RMA number, be sure to have the serial number of the equipment available.
 - b) The original purchaser must package the product properly for return shipment. Clever Devices is not responsible for any damage to the product caused during transit or for any package lost by the shipping company.
 - c) The original purchaser assumes all cost in shipping the defective product to Clever Devices and Clever Devices will assume the cost in shipping back to the customer. All replacement/repaired products are shipped UPS Ground unless a rush is requested. The cost of shipping using any mode other than UPS Ground is to be paid by the original purchaser.

Ship to:

Clever Devices Ltd.
Attn: Service Department RMA # _____
300 Crossways Park Drive
Woodbury, NY 11797

8.2.4 CLEVER DEVICES' RETURN AND EXCHANGE POLICY

Clever Devices does not accept returns without a Returned Material Authorization. Custom-built equipment or merchandise specifically ordered for you is not returnable.

Where return of unused merchandise is at the request or convenience of the customer, a 25% restocking fee will be charged. No unused merchandise will be accepted for return later than thirty (30) days after shipment. All returned merchandise shall be sent freight prepaid and properly insured by the customer. Clever Devices reserves the right to select the method of shipment. Should you receive merchandise damaged in shipment, it is your responsibility to file a damage claim immediately with the delivery carrier.

1.2.5 Clever Devices' Non-Warranty Service Policy

1) Non-Warranty Repair Policy

Non-warranty repairs made by Clever Devices carry a limited repair warranty of 90 days on services and replacement parts only. Defects in our repair work or any parts replaced will be corrected at no charge if the defect occurs within 90 days from shipment from our facility.

2) Field Service

Field service calls will be made to customer's facility upon request. Time, expenses, and materials will be charged, as outlined below, unless other arrangements are made in advance. Field Service is treated as any repair. All travel must be pre-approved and is based upon actual prevailing airfare, hotel/motel rooms and Per Diem rates. Contact Clever Devices for current Per Diem rates.

GENERAL FIELD SERVICE RATES:	
Transportation	Actual cost* using commercial coach or business class air, first class rail, bus, rental car, and cab facilities as applicable, including transportation to and from the airport.
Mileage Allowance	IRS allowable rates
Personal Expenses	Per Diem rates
Basic Rates	150.00** per hour for actual time in customer's plant, plus a flat rate for round-trip travel time.
Miscellaneous	Actual charges for other necessary items such as tolls, parking and freight charges*.
* Charges	Charges may be subject to a 12% administrative fee.
** Rates	Rates may vary because of weekend/holiday rates, the type of service required, a previously negotiated rate and/or personnel involved.

3) Non-Clever Devices Product Received for Repair

Product received for repair that were not manufactured or supplied by Clever Devices will be logged in and Clever Devices will require that the customer supply us with their shipper number in order to return the product. Such product will be held for a period of up to 90 days and will then be subject to discard, unless alternative arrangements have been agreed to in advance.

XXXXXXXXXX

John King
 Senior Strategic Account Manager
 516-459-7719

ad