



## ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item  
Meeting of June 11, 2011**

**DATE:** April 26, 2011

**SUBJECT:** Authorization to renew the SmarTrip Operations Funding Agreement among the Participating Jurisdictions of Arlington County, City of Alexandria, City of Fairfax, Fairfax County, Loudon County, Maryland Transit Administration, Montgomery County, Potomac & Rappahannock Transportation Commission, Prince George's County, and Washington Metropolitan Area Transit Authority.

**C. M. RECOMMENDATION:**

Approve the attached updated SmarTrip Operations Funding Agreement among the participating jurisdictions which include Alexandria, Arlington, City of Fairfax, Fairfax County, Loudon County, Maryland Transit Administration, Montgomery County, Potomac & Rappahannock Transportation Commission, Prince George's County, and Washington Metropolitan Area Transit Authority, and authorize the County Manager to execute the agreement on behalf of the Board in a form approved by the County Attorney.

**ISSUES:** Authorize the County Manager to sign the updated SmarTrip Operations Agreement.

**SUMMARY:** The current SmarTrip Operations Funding Agreement is due to expire on June 30, 2011. The updated funding agreement (Attachment 1) will renew ART and Arlington County's commitment to the Regional SmarTrip Program for another four years beginning July 1, 2011 and ending June 30, 2015.

**BACKGROUND:** In early FY 2000, a regional fare system was envisioned. Participating jurisdictions joined together to create a seamless regional smart card system to service both the WMATA Transit Zone and the Maryland Transit Administration service area. As the Jurisdictions procured and installed the necessary equipment, an agreement was formalized and Arlington County signed the agreement in April 2006. The attached document is the renewal of the agreement.

**DISCUSSION:** The SmarTrip Operations funding agreement allows ART to continue to participate in the system and receive the benefits of shared revenue. It also allows ART's

County Manager:

County Attorney:

30.

Staff: Kelly MacKinnon – Department of Environmental Services, Transit

customers use of Smart Cards on ART as well as the systems of each of the above participating jurisdictions. 75% of ART riders use SmarTrip cards.

**FISCAL IMPACT:** Shared costs for the funding of the Regional Customer Service Center and Regional Software Maintenance Agreement are outlined in the agreement. It is based on the number of garages (ART has 1) as well as the number of transactions. The cost of the agreement has not significantly increased. Cost of participation in the system is included in the FY 2012 Department of Environmental Services Transit budget.

**SmarTrip® OPERATIONS FUNDING AGREEMENT**

**Among**

**Alexandria Transit Company**

**And**

**Arlington County, Virginia**

**And**

**City of Fairfax, Virginia**

**And**

**Fairfax County, Virginia**

**And**

**Loudoun County, Virginia**

**And**

**Maryland Transit Administration**

**And**

**Montgomery County, Maryland**

**And**

**Potomac & Rappahannock Transportation Commission**

**And**

**Prince George's County, Maryland**

**And**

**Washington Metropolitan Area Transit Authority**

**For**

**The Operation of the Regional SmarTrip® System**

This SmarTrip® OPERATIONS FUNDING AGREEMENT ("Agreement"), is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ by and among Alexandria Transit Company; Arlington County, Virginia; City of Fairfax, Virginia; Fairfax County, Virginia; Loudoun County, Virginia; Montgomery County, Maryland; Prince George's County, Maryland; Maryland Transit Administration; Potomac & Rappahannock Transportation Commission (collectively "the Participating Jurisdictions"); and the WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY ("WMATA"), an interstate compact agency and instrumentality of the District of Columbia, the Commonwealth of Virginia and the State of Maryland, created with the consent of the United States Congress

PROCEEDS UPON THE FOLLOWING MUTUAL UNDERSTANDINGS AMONG THE PARTIES HERETO:

**RECITALS:**

A. The WMATA was created through Title III of the Washington Metropolitan Area Transit Regulation Compact formed by and among the State of Maryland, the Commonwealth of Virginia and the District of Columbia, authorized and approved by the United States Congress, for the purpose, among other activities, of planning, developing, financing and causing to be operated improved transit services in the Washington Metropolitan Area Transit Zone, as a part of a balanced regional system of transportation, which includes Metrorail; and

B. The parties to this Agreement are joining together to create a seamless regional smart card system to service both the WMATA Transit Zone and the Maryland Transit Administration service area in the Baltimore area ("the region") and operating off of the SmarTrip® smart card, smart cards with different brand names such as "CharmCard®" using the same technology platform as SmarTrip®, and/or different smart card or payment card platforms that are interoperable with the fare collection equipment used in the region; and

C. The parties have agreed to share the operating costs of establishing the Regional SmarTrip® System, beginning when each Participating Jurisdiction elects to utilize equipment compatible with the smart cards available throughout the region; and

D. Each party will be solely responsible for its respective share of the operating costs of the Regional SmarTrip® System under this Agreement, as identified in Exhibit A (updated annually) and incorporated in this Agreement, and for taking all necessary actions at the state or jurisdictional unit level to assist WMATA in developing the budget and securing the funding for the operation of the Regional SmarTrip® System. Each Participating Jurisdiction is only responsible for its own operating cost share, subject to annual appropriations by its respective state and/or

local governments, and in no circumstance will one Participating Jurisdiction be responsible for the operating cost shares of any other Participating Jurisdiction; and,

E. The Participating Jurisdictions, subject to the annual budgetary appropriation of their respective legislative bodies, to the full extent allowed by law, commit to provide the identified individual operating cost share, on an advance quarterly payment basis, to fund the Regional SmarTrip® System; and

F. The parties to this Agreement will be solely responsible for maintaining Participating Jurisdiction-operated smart card related equipment in a manner consistent with Participating Jurisdiction and inter-agency operations, will transfer and accept data necessary to support such operations, will report any concerns or issues that may affect regional operations as set forth in this agreement, and will transfer or accept revenues based on the revenue allocation process identified in this Agreement; and

G. The parties to this Agreement desire to enter into this Agreement to define and provide the manner in which the parties will support the Regional SmarTrip® System, and affirm that all operating costs for the Regional SmarTrip® System will be borne by the Participating Jurisdictions, in accordance with the provisions of this Agreement.

**NOW THEREFORE**, based upon the foregoing understandings and in consideration of the covenants contained herein, the parties do covenant and agree as follows:

## **ARTICLE 1 -- DEFINITIONS AND INTERPRETATIONS**

Section 1.01: Definitions. The definitions and the recitals set forth above are reaffirmed and incorporated herein by reference. The following are definitions of certain terms used in this Agreement:

- A. **"Agreement"** means this funding agreement for the Regional SmarTrip® System between and among all Participating Jurisdictions as defined below and WMATA.
- B. **"Autoload"** is the delivery of fare value purchased online and added to the smart card when the user taps his/her card at a bus farebox, rail vending machine, or faregate. Such purchase may be a one-time purchase or on a recurring basis.
- C. **"Automated Clearing House (ACH)"** is a secure network of U.S. financial institutions that facilitate electronic transfers of payments within 48 hours. ACH will be the means by which funds are transferred from and to

Participating Jurisdictions to accommodate regional settlement unless otherwise agreed upon by the Participating Jurisdictions involved.

- D. **"CPOS Device"** is a Compact Point of Sale machine which allows for the purchase of fares loaded to a smart card from the machine located away from buses and rail stations.
- E. **"Data Warehouse"** is the central repository for all smart card data and is hosted by WMATA on behalf of all of the Participating Jurisdictions.
- F. **"Fare Collection Device"** is any equipment with a smartcard target capable of loading products or value onto a smartcard, deducting a fare or ride from a smartcard, or activating or validating a pass on a smartcard. Fare collection devices include, but are not limited to, faregates, bus fareboxes, ticket vending machines, hand held validator units, point of issue/point of sale machines, and parking garage targets.
- G. **"Financial Records"** are defined as any and all original documents which are used under OMB Circulars A-87 and A-133, as those circulars may be amended from time to time or such other circulars which may be issued and which are applicable to projects of this type (collectively "federal guidelines"), to support federal grant costs. This definition includes all federal guideline documents submitted by WMATA staff, consultants and contractors working on the Regional SmarTrip<sup>®</sup> System.
- H. **"Hotlisted Card"** is a card that needs to be removed from the smart card system for some reason (e.g. reported lost or stolen, involved in some type of fraudulent activity, etc.). A Hotlisted Card List will be the mechanism to consolidate and deliver the serial numbers of Hotlisted Cards to fare devices that will subsequently be removed from the system upon next use. When the card is presented, the system will mark it as not valid, seized, or other appropriate action.
- I. **"Master Settlement Report"** is an end-of-month report generated by WMATA and distributed to the Participating Jurisdictions, for validation and confirmation of the financial position of each Participating Jurisdiction. The Master Settlement Report will be disseminated by the Participating Jurisdictions and WMATA for review and, after approval by all Participating Jurisdictions, will be used as the basis for end of month settlement.
- J. **"Multifunction Point of Sale (MPOS)"** is the equipment used to initialize smart cards for use in the regional smart card system. The MPOS is also used to transfer value to a new smart card in the case of smart card replacement.

K. **“Operating Costs”** are defined as the sum of the costs enumerated in this subsection, all of which combined shall equal the expense portion of the annual Operating Budget for the Regional SmarTrip® System. Expenses may, at WMATA’s discretion, include the cost to administer, operate and maintain the Regional Customer Service Center (RCSC) contract and associated regionally-shared elements, but not individual agency fare collection systems. Operating costs applicable for a fiscal year will be presented in the annual budget for the fiscal year (Exhibit A, updated annually). Operating Costs include, but are not limited to, the following:

1. Operating costs of the contract for the operation of the Regional Customer Service Center, including both the fixed monthly cost and the variable charges.
2. Operating costs of the contract for management of the Compact Point of Sale (CPOS) device network.
3. A specific overhead rate, to include WMATA costs to indirectly support Project Management of the Regional SmarTrip® System.
4. Regional SmarTrip® System WMATA dedicated project management staff costs.
5. The cost of software licenses needed for the Regional SmarTrip® System.
6. The cost of maintenance contracts on the hardware used in the Regional SmarTrip® System, only for those Participating Jurisdictions electing to use the services of the maintenance contracts.
7. The cost of software maintenance contracts used in the Regional SmarTrip® system, only for those Participating Jurisdictions electing to use the services of the maintenance contracts.
8. Audit Fees.
9. Costs associated with the maintenance and operation of a common SmartBenefits transaction system (the WMATA program for electronic distribution of transit benefits), but not those costs associated with SmartBenefits marketing or revenue collection.
10. System-wide costs associated with fraud or abuse that are not related to an individual Participating Jurisdiction’s failure to properly support agreed upon regional operating procedures, such as the timely upload or download of data or not related to credit/debit operations.
11. An amount not to exceed the difference between the cost to purchase smart cards and the remaining balance in the SmarTrip® reserve account, to fund the reserve for the purchase of smart cards which are not specific to a given jurisdiction.
12. Communications services such as Participating Jurisdiction data lines and others as necessary to support regional operation.

13. Development and operation of a regional website
14. Such other costs as are agreed to by the Participating Jurisdictions and which contribute to the operation, security, and/or growth of the Regional SmarTrip® System.
- L. **“Participating Jurisdiction”** shall refer to any signatory to this who operates or provides funding for the operating costs of the Regional SmarTrip® System and shall include WMATA. The term does not directly include the District of Columbia. For purposes of this Agreement, the District of Columbia Circulator shall be considered to be a part of WMATA until such time as WMATA does not manage the District of Columbia Circulator. Both WMATA and the District of Columbia are parties to the “Amended and Restated Agreement Between the Washington Metropolitan Area Transit Authority and the District of Columbia Through the District Department of Transportation to contract for and Manage the DC Circulator Service” that sets out the means to reconcile various costs including those for the Regional SmarTrip® System. Nevertheless, for clarity, District of Columbia Circulator’s share of the allocated costs shall be listed in the Annual Budget separately from WMATA’s share of the allocated costs. The District of Columbia Circulator shall be considered to be participating in the Regional SmarTrip® system so long as WMATA is managing the service. Should WMATA cease to manage the service, then participation in the regional system will cease unless the District of Columbia signs this Agreement.
- M. **“Product”** is a stored ride ticket or time-based pass (weekly, monthly, etc.) carried on a smart card that can be used for transportation at Participating Jurisdictions according to the rules of use for each particular product.
- N. **“Projected Cash Flow and Obligation Profile” (“Cash Flow”)** means a separate yearly cash flow projection for the Regional SmarTrip® System, which shows on a yearly basis the quarterly amounts of money for which each Participating Jurisdiction is responsible for that year, which sample Cash Flow is attached hereto as Exhibit B and incorporated in this Agreement as if fully set forth herein. The Cash Flow, Exhibit B, will be updated yearly by WMATA showing individual Participating Jurisdiction’s projected quarterly payments and electronically sent to each Participating Jurisdiction prior to the commencement of the next fiscal year (July 1 – June 30) as described herein. An invoice shall be prepared, for each Participating Jurisdiction’s quarterly payment according to the schedule defined in Section 2.03, which shall be payable in advance of that quarter by each Participating Jurisdiction according to the schedule defined in Section 2.03.
- O. **“RCSC Contract”** is the contractual agreement by which the regional customer service and order fulfillment functions are provided. The contract is between WMATA and the private entity providing the services.

- P. **“Regional SmarTrip® System”** is defined as the systems of computer hardware and software at WMATA and Participating Jurisdictions necessary to allow the use of a common smart card for fare collection and other purposes, including SmarTrip® cards, smart cards with different brand names such as CharmCard® or others using the same technology platform as SmarTrip®, and/or different smart card technology platforms that are interoperable with the fare collection equipment in the region.
- Q. **“Regional Software Maintenance Agreement (RSMA)”** is the agreement between the developer of the software used in the Regional SmarTrip® System and those Participating Jurisdictions who have elected to enter into the agreement for the provision of maintenance services on the system software as specified in the contract.
- R. **“Settlement Position”** is the calculated financial position of a Participating Jurisdiction at the end of a specified period, based on the smart card value added to and deducted from smart cards used on a Participating Jurisdiction’s fare collection equipment.
- S. **“SmartBenefits”** is the WMATA program whereby an employer can provide Qualified Transportation Fringe Benefits tax-free under Internal Revenue Code section 132(f) with the delivery of fare value directly to the employee’s smart card.
- T. **“Smart card”** is a paper or plastic card, or any other media, containing a computer chip that can be used to pay a fare on WMATA and Participating Jurisdictions. Smart cards may carry different brand names, such as “SmarTrip®” or “CharmCard®” and may consist of various technology platforms. Provided that the card can be processed by the fare collection equipment in use by WMATA and the Participating Jurisdictions, that card is considered a “smart card” for purposes of this Agreement.
- U. **“Stored Value”** is the cash-equivalent value stored in the smart card’s purse that can be used at Participating Jurisdictions to pay for a single trip, transfer, parking or to purchase a smart card Product.
- V. **“Transaction”** is defined as the payment of a fare by smart card on either a rail mass transit or bus service for a single trip on the train or bus, and shall include both electronic cash payment from the card as well as verification of a pass or right to ride. Transfers requiring the patron to exit one vehicle and enter another in which a fare was paid, or pass or transfer verified constitute a separate transaction. For example, a trip on Metrorail with a transfer to a Metrobus constitutes two transactions. Deduction of funds from the smart card at parking areas for parking fee payment and/or other purposes that may

be contemplated shall also be considered transactions for the purposes of this agreement. The addition of funds to a smart card or the purchase of a fare product either at a vending machine, point-of-sale device or through an automatic transfer of funds does not constitute a Transaction for purposes of this Agreement.

- W. **Variable Charges**” are costs that may change from month to month, due to the basis of calculation. For the current RCSC contract, effective July 2010, the monthly Variable Charges are calculated based on the number of contacts at the call center each month, and the number of cards processed at the fulfillment center each month. The Participating Jurisdictions shall review and approve any changes to this definition brought about by a change in the billing formula for the current RCSC contract or any further contract for services covered by the current RCSC contract before such changes are implemented.

Section 1.02: Interpretations. For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- A. All references in this Agreement to designated Articles, Sections and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement as originally executed. The words “herein,” “hereof,” “hereunder,” “herewith” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision hereof.
- B. The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.
- C. The headings and captions used in this Agreement are for convenience of reference only and shall not define, limit or describe any of the provisions hereof or the scope or intent hereof.

## **ARTICLE 2 -- RESPONSIBILITIES AND PROCUREMENT PROCESS**

Section 2.01: The Participating Jurisdictions’ Responsibilities.

- A. **WMATA Responsibilities.** The Participating Jurisdictions will be involved in the development of the Scope of Work for contracts used to develop or operate the Regional SmarTrip® System . WMATA will then, on behalf of the Participating Jurisdictions and itself, publicize, award and administer the procurement aspects of the Regional SmarTrip® System, and will exercise technical control and management oversight of that procurement during its contract term. WMATA will retain all Financial Records, as defined in Section 1.01(G), for the Regional SmarTrip® System for three (3) years after

completion and/or termination of this Agreement, as defined in Section 8.01 below, unless there is an outstanding written financial or audit question or litigation which has not been resolved. In that instance, the Financial Records will be retained by WMATA until there is a resolution of the financial or audit question(s). Subject to approval of the appropriate budget and the availability of funds, WMATA will fund its proportionate share of its costs of the Regional SmarTrip® System as set forth below. All Participating Jurisdictions will verify the Master Settlement Report based on the best available transaction data available to them from their reporting systems. WMATA will receive or disburse funds per the Master Settlement Report and upload and download necessary operational information, such as the Hotlisted Card List, that is required to support regional operations.

- B. **Participating Jurisdiction Commitment and Responsibilities.** Each Participating Jurisdiction hereby commits (i) to initiate the necessary annual budget and appropriation actions, (ii) subject to annual budgetary appropriation by the legislative body, to pay WMATA in the form of advance quarterly funding payments during the fiscal year pursuant to annual fiscal year funding agreements, its proportionate share of the operating costs of the Regional SmarTrip® System, (iii) coordinate with WMATA in the development of the Scope of work for any procurement action involving the Regional SmarTrip® System and (iv) operate its transit system in a manner which complies with the Letter of Intent between the parties and supports the Regional SmarTrip® System. Subject to budgetary appropriations and with assurances to WMATA that all best efforts will be undertaken by each Participating Jurisdiction executive branch to secure those appropriations, the Participating Jurisdiction shall be solely responsible for providing its share of the funds. In making these commitments, each Participating Jurisdiction acknowledges that WMATA has no independent funding apart from the funding to be provided pursuant to this Agreement. Each Participating Jurisdiction commits to review the Master Settlement Report, to receive or disburse funds per the Master Settlement Report and to upload and download necessary operational information, such as the Hotlisted Card List, that are required to support regional operations.

Section 2.02: Process.

- A. **Regional SmarTrip® System.** WMATA, using staff, consultants and contractors, shall undertake all required work associated with the operation of the Regional SmarTrip® System, as set forth in Section 1.01(N) and Section 2.01, and in accordance with WMATA procurement practices as set out in the WMATA Procurement Procedures Manual, WMATA Board resolutions and applicable Federal Transit Administration requirements.

Section 2.03: Funding.

- A. **Operating Cost Responsibilities.** As hereinafter limited, the Participating Jurisdictions shall be responsible for their respective allocated shares of all direct and indirect costs, identified in the Operating Budget, Exhibit A, as defined in Section 1.01(K), subject to annual appropriations.

Each Participating Jurisdiction will provide to WMATA its share of the annual operating budget, in advance, by quarterly payments based upon WMATA's (a) anticipated expenditures and (b) adjustments based on actual payments for the previous quarter, and (c) termination costs for the upcoming quarter, as projected in Exhibit B and as invoiced to the Participating Jurisdictions on a quarterly basis. Each Participating Jurisdiction will confirm in writing or by electronic mail to WMATA, on or before the date of distribution of the final annual budget as outlined in Section 2.04A, each year during the Term of this Agreement that the necessary annual budgetary appropriations have been or will be made for the next fiscal year.

- B. **Funds Advancement.** WMATA will not incur costs or obligations for the Operating Budget unless adequate funds are available, and each Participating Jurisdiction has obligated the necessary funds and has provided and advanced sufficient funds for WMATA's expenditures and commitments for the coming quarter.

- C. **Payment Procedures.**

1. Each Participating Jurisdiction shall pay to WMATA in the form of advance quarterly funding payments due on the first day of July, October, January, and April during the fiscal year that Participating Jurisdiction's share of the Operating Costs. The quarterly billing shall, at a minimum, cover WMATA's expected expenses for the following quarter. Late payments may be assessed an interest fee measured by WMATA's lost overnight earnings amount. Such amount shall, at a minimum, cover the cost of any funding used to cover the Participating Jurisdiction's share of Operating Costs which were paid late.

If the effective date for this Agreement is during a given quarter and Operating Costs will be incurred prior to the next payment date set forth in Section 2.03.C.1, then a pro rata share of the first quarter's scheduled payment shall be made to WMATA within fifteen (15) business days after invoicing for that amount by WMATA.

2. "Costs incurred within a fiscal year" shall be defined by the date stamp that is applied by WMATA to the hard copy invoice when it is received

from the Contractor or other sources of expenses associated with Regional SmarTrip® System.

3. The quarterly invoice prepared for the Participating Jurisdictions shall cover the Regional SmarTrip® System's projected expenses for the upcoming quarter, as presented in the annual budget, as well as adjustments for costs incurred within the fiscal year, based on actual payments made by WMATA during the previous quarter. If actual payments made by WMATA during the previous quarter were less than the budgeted (invoiced) amount, the quarterly invoice will show a credit to the Participating Jurisdictions to be applied to the amount due for the current quarter. The quarterly invoice for an upcoming Quarter 1 period of a fiscal year shall be based on the proposed annual budget for that upcoming fiscal year as provided as of May 1<sup>st</sup> to the Participating Jurisdictions. Any adjustments between the May 1 proposed budget and the approved budget shall be made at the same time as other adjustments as required under §2.03.C.6.
4. Costs incurred within a fiscal year will be carried forward no more than two quarters into the next fiscal year, such that all costs incurred within a fiscal year will be invoiced to the Participating Jurisdictions no later the Q2 invoice of the following fiscal year. Any costs incurred within a fiscal year that are not invoiced to the Participating Jurisdictions by Month 4 of the next fiscal year will be paid by WMATA, except for conditions described in Section 2.03 C.5 and Section 2.04 B.
5. On an exception basis, any costs for a fiscal year that need to be carried forward more than the time period described in Section 2.03 C.4, for example contract closeout costs, will be presented to the Participating Jurisdictions, in advance of those costs being included in a quarterly invoice.
6. The invoice shall be developed as described in Section 2.03.C.6. Within twenty (20) days after the close of a quarter, WMATA shall run the Regional Ridership Reports for the immediately preceding quarter. WMATA shall then prepare the invoice for the succeeding quarter to be composed of the estimated costs for that quarter, the previous quarter's Regional Ridership Report and the difference between the estimated costs of the previous quarter and the actual expenses incurred for the previous quarter. The invoice for the second quarter of a given fiscal year shall also include any unbilled expenses from the previous fiscal year. The invoices shall be submitted to the WMATA Office of Accounting no later than the end of the first month of the quarter. The invoices shall be distributed to the Participating

Jurisdictions no later than fifteen (15) calendar days after receipt within the Office of Accounting. The Participating Jurisdictions will have at least thirty (30) days to pay the invoice to WMATA. Payment will be deemed late if not received by the later of the 31<sup>st</sup> day after invoicing or the first day of the quarter covered by the invoice.

Section 2.04: Operating Budget and Schedule.

- A. **Operating Budget and Schedule Responsibilities.** WMATA has developed a sample estimated budget (Exhibit A) and schedule (Exhibit B) as an example of the annual overall Operating Budget. Exhibits A and B will be updated at least annually. WMATA will prepare a draft budget for the upcoming fiscal year based on estimated expenses. After review by the Board of Directors of WMATA if necessary, the draft proposed annual budget shall be distributed to all Participating Jurisdictions no later than April 1. Following review and discussion, a final proposed annual budget will be distributed for approval by Participating Jurisdictions. Participating Jurisdictions will have three weeks from the distribution of the final proposed annual budget to respond with comments; otherwise, "no response" will indicate approval. Final proposed annual budget shall be approved by Participating Jurisdictions by May 31, with WMATA Board of Directors' approval if necessary by June 30. If WMATA is undergoing contract negotiations that may impact the proposed annual budget, the timing of distribution of the final proposed budget may be modified. Any revision to Exhibits A and/or B during the fiscal year shall be made only after agreement of all Participating Jurisdictions. The revised Exhibit B shall then form the basis for the quarterly payments. Participating Jurisdictions may request additional services through WMATA as the contracting agency which can be included in Exhibit B and approval shall not be unreasonably withheld under existing WMATA policies so long as there are no significant impacts on the Regional SmarTrip<sup>®</sup> System, other Participating Jurisdictions or the smart card.
- B. **Yearly Budget Review and Audit.** As a part of its budget responsibilities WMATA shall notify the Participating Jurisdictions as soon as possible of any changes to the RCSC contract, RSMA contract, or other cost elements in the OFA annual budget, which would result in an increase to the Participating Jurisdictions of more than 25% of the approved fiscal year budget. These changes will be presented to the Participating Jurisdictions at least one month in advance of the changes being included in the Participating Jurisdictions' quarterly invoices. The Participating Jurisdictions will make their best efforts to fund cost increases that occur during a Fiscal Year. At the close of the fiscal year, WMATA will initiate an audit of the expenses and provide the Participating Jurisdictions with a reconciliation of the invoiced expenses with the actual expenses. All Participating Jurisdictions shall honor any adjustments to the year's expense allocation resulting from such audit.

Participating Jurisdiction payments or credits resulting from audit adjustments shall be made with the quarter's operating budget payment of the subsequent fiscal year following the completion of the audit.

- C. **Post-Agreement Termination.** During any stage of the Operating Budget, if any Participating Jurisdiction for any reason: (i) fails to appropriate the necessary funding for a fiscal year and/or fails to notify WMATA, pursuant to Section 2.03(A), that the necessary appropriation has been made for the fiscal year; (ii) fails to provide timely advance quarterly funding for WMATA's costs, (iii) if the funds deposited with WMATA are forecasted as not being sufficient to fund the Regional SmarTrip<sup>®</sup> System, including projected cost overruns; and/or (iv) decides to withdraw from the Regional SmarTrip<sup>®</sup> System and **agreement is not reached by the remaining Participating Jurisdictions on funding the ensuing regional costs; WMATA will give all signatories to this Agreement written notification that it plans to terminate the Regional SmarTrip<sup>®</sup> System ("Termination Trigger Notification") at a stated date.** This section is not subject to the dispute resolution steps of Article 5 below. The "Termination Date" in the Termination Trigger Notification will be determined by WMATA based upon any of the following factors:

1. WMATA's determination that one or more Participating Jurisdiction's stated appropriations or invoice payment are insufficient to fund each Participating Jurisdiction's share of the procurement, including cost overruns, OR
2. WMATA's finding that one or more Participating Jurisdiction has not timely submitted its quarterly payment, in accord with the quarterly invoice for its share of the Operating Budget, OR
3. The funds deposited with WMATA are forecasted by WMATA not to be sufficient to fund the Regional SmarTrip<sup>®</sup> System and the Participating Jurisdictions are not able to reach agreement on the additional funds and contribution schedule necessary to meet the regional costs.

The Termination Trigger Notification shall be provided, if possible, to all signatories to this Agreement at least forty-five (45) days prior to the Termination Date. (Exception: in the event termination is triggered by a failure to certify the appropriation of funds by May 31, only thirty (30) days notice will be provided). Within that period, all signatories and WMATA shall meet and confer to resolve the funding shortfall. If any Participating Jurisdiction has not remedied the inadequacy or failure identified in the notice and no resolution has been identified, WMATA will issue a Termination for

Convenience and take those steps necessary to stop work, terminate, and close out the Regional SmarTrip® System on or after the Termination Date.

The costs of a Termination for Convenience occurring due to a failure of a Participating Jurisdiction to meet any of its financial obligations or due to a Participating Jurisdiction's withdrawal prior to the close of the fiscal year that are not agreed to by the other Participating Jurisdictions, shall be paid by the Participating Jurisdiction causing the need for the Termination for Convenience, along with any other costs such as staff costs, attorneys' fees, litigation expenses, and general overhead as may be imposed by WMATA, in agreement with the other remaining Participating Jurisdictions. Punitive costs, by whatever name, shall not be imposed. If any part of the Regional SmarTrip® System is terminated pursuant to this section, WMATA shall have no further responsibility to any signatory to continue the Regional SmarTrip® System except for those signatories who elect to continue as part of the Regional SmarTrip® System under the terms of this Agreement as they may be amended or modified in the future. The provisions of Section 2.01(B) of this Agreement, relating to each Participating Jurisdiction's responsibilities, shall survive the termination of this program and this Agreement.

If there is no Participating Jurisdiction or Participating Jurisdictions causing the Termination for Convenience then all Participating Jurisdictions agree to share Termination for Convenience costs including any other costs such as staff costs, attorneys' fees, litigation expenses, and general overhead on a pro rata basis based on their respective share of the Operating Budget for that fiscal year, and to make payment of their share of those costs as soon as possible.

Section 2.05: Formulas for Allocating Operating Budget And Costs Among Participating Jurisdictions. Each year, WMATA shall develop a budget for Operating Costs, as defined in Section 1.01(K), for the upcoming fiscal year, based on actual operating cost experience, projected costs, and any anticipated changes in smart card market penetration among Participating Jurisdictions and/or any anticipated changes in membership of Participating Jurisdictions.

Operating Costs as defined in section 1.01(K) shall be allocated to WMATA and the Participating Jurisdictions based on the combination of three formulas. The majority of the Operating Costs are typically allocated using the "Transaction Based" formula, with items such as hardware/ software maintenance and communications costs allocated using the "Garage Based" formula. The third formula deals with the costs of the CPOS Device system. The specific formula to be applied each line item for the upcoming fiscal year shall be identified in the proposed annual budget. Participating Jurisdiction acceptance of the proposed annual budget shall constitute acceptance of the allocation formulas applied within the budget.

Formula 1 is "Transaction Based," which shall allocate transaction-based costs among Participating Jurisdictions based on the number of smart card transactions, as defined in Section 1.01(V). These Operating Costs will be allocated to each Participating Jurisdiction based on the number of transactions projected for that Participating Jurisdiction for the upcoming fiscal year proportional to the total number of transactions among all Participating Jurisdictions projected for the upcoming fiscal year.

$$\text{Operating Costs} \times \frac{\text{Participating Jurisdiction's Number of Transactions}}{\text{Number of Transactions System-wide}} = \text{Share of Costs}$$

Formula 2 is "Garage Based," which shall allocate garage based costs among Participating Jurisdictions based on the number of Bus Garages that are connected to the Data Warehouse and operated by each Participating Jurisdiction, in proportion to the total number of Bus Garages among all Participating Jurisdictions that are projected to be connected to the Data Warehouse for the upcoming fiscal year.

$$\text{Operating Costs} \times \frac{\text{Participating Jurisdiction's Number of Bus Garages}}{\text{Number of Bus Garages System-wide}} = \text{Share of Costs}$$

Formula 3 is "CPOS Device Based," which shall allocate costs for the operation and maintenance of the Compact Point-of-Sale (CPOS) network among Participating Jurisdictions based on Participating Jurisdiction ownership of the CPOS devices.

$$\text{CPOS Operating Costs} \times \frac{\text{Participating Jurisdiction's \# of CPOS Devices}}{\text{Number of CPOS Devices System-wide}} = \text{Share of CPOS Costs}$$

The Operating Cost Budget developed from the above calculations shall be used to prepare the annual Cash Flow (Exhibit B), which shall be distributed to all Participating Jurisdictions as set forth in Section 2.04(A).

Section 2.06: Other Agreements. Nothing in this Agreement shall be construed to modify, diminish or supersede any existing rights, agreements or arrangements between WMATA and Participating Jurisdictions on other matters.

### ARTICLE 3 - CLEARING OF TRANSACTIONS

Section 3.01: Clearing and Settlement of Transactions. All transactions will be cleared (reconciliation of data) among the Participating Jurisdictions on a monthly basis with settlement (transfer of funds) on a monthly basis.

Section 3.02: Settlement Schedule. On the fifth business day after the close of a month each Participating Jurisdiction shall run the appropriate Jurisdiction smart card reports, as identified by WMATA and approved by the Participating Jurisdictions, to quantify the smart card value added through cash, fare media trade-in, and credit/debit loads on smart cards at the Participating Jurisdiction fare collection devices, loads on smart cards at Participating Jurisdiction owned Compact Point-of-Sale (CPOS) devices, credit/debit autoloads at Participating Jurisdiction fare collection devices, and loads at Multifunction Point of Sale (MPOS) devices for the preceding month. The Participating Jurisdiction smart card reports shall also include smart card value used, pass purchases, and pass uses at each Participating Jurisdiction.

Between five (5) and seven (7) business days after the close of a month, WMATA will produce a draft Master Settlement Report from regional smart card data available in the Data Warehouse and will provide the draft report to the Participating Jurisdictions. The affected Participating Jurisdiction and WMATA will attempt to resolve any discrepancies prior to the distribution of the final report for settlement. If there is a disagreement between a Participating Jurisdiction and WMATA regarding the monthly settlement data, the affected parties will decide whether to settle before resolution of the disagreement, while allowing the unaffected parties to settle their transactions on schedule. WMATA shall calculate the amounts due to or from each Participating Jurisdiction for monthly settlement, and shall provide the final report to the Participating Jurisdictions by business day nine (9) after the close of the month. The schedule for Clearing and Settlement can be summarized as follows:

Schedule (days after close of month)	WMATA Responsibilities	Participating Jurisdiction Responsibilities
Business Day 5		Produce financial reports from Participating Jurisdiction Central Computer for Participating Jurisdiction-specific data. Use this report to compare to data that will be provided by WMATA in the draft Master

		Settlement Report. The absence of a report from a Participating Jurisdiction will be deemed to be an acceptance of the WMATA draft Master Settlement Report.
Business Days 5 to 7	Produce draft regional Master Settlement Report showing all Participating Jurisdictions, from regional data in Data Warehouse.	
Business Day 7	Provide draft regional Master Settlement Report to Participating Jurisdictions.	
Business Day 8	Attempt to resolve any discrepancies between draft Master Settlement Report and Participating Jurisdiction smart card reports by reviewing with Participating Jurisdiction.	Identify and discuss discrepancies between Participating Jurisdiction smart card reports and draft Master Settlement Report with WMATA.
Business Day 9	Provide final Master Settlement Report to Participating Jurisdictions with ACH transfer amounts. Submit ACH for sending funds to Participating Jurisdictions in deficit	Participating Jurisdictions in surplus submit ACH for sending funds to Participating Jurisdictions in deficit
Business Day 10	Initiate ACH to deficit jurisdictions	Surplus jurisdictions initiate ACH to deficit jurisdictions.

The current Master Settlement Report is included in Exhibit C. Should changes be required to the Master Settlement report, or supporting financial reports, WMATA will present the changes to the Participating Jurisdictions as part of the recurring meetings among Participating Jurisdictions for review and concurrence.

The amounts due to or from each Participating Jurisdiction for monthly settlement shall be based on the following allocations:

1. The funds collected for credit/debit autoloads, for which payment has been processed by WMATA, shall be reported as revenue received by the

Participating Jurisdiction that receives the credit/debit payment from the website. Funds shall be transferred from the Participating Jurisdiction that receives the credit/debit payment from the website to Participating Jurisdictions according to the revenue sharing formula for the stored value or product that was purchased through the website as part of the monthly settlement process and each Participating Jurisdiction will be responsible for accounting for such funds.

2. The funds collected for cash, fare media trade-in, and credit/debit loads occurring at a Participating Jurisdiction Fare Collection Device shall be reported as revenue received by that Participating Jurisdiction, and each Participating Jurisdiction will be responsible for accounting for such funds.
3. Funds for the value of SmartBenefits autoloads shall be reported as revenue received by the Participating Jurisdiction that is paid by the sponsoring employer. Funds shall be transferred from the Participating Jurisdiction that is paid by the sponsoring employer to the Participating Jurisdictions according to the revenue sharing formula for the stored value or product that was purchased through SmartBenefits as part of the monthly settlement process and each Participating Jurisdiction will be responsible for accounting for such funds.
4. The funds collected for value loaded at Participating Jurisdiction owned or leased Compact Point of Sale (CPOS) or Multifunction Point of Sale (MPOS) device shall be held and reported as revenue received by the Participating Jurisdiction CPOS or MPOS owner or lessee and each Participating Jurisdiction will be responsible for accounting for such funds.
5. WMATA, as the contracting agency for the RCSC, shall receive the funds collected from sales of any value loaded at a WMATA-owned MPOS operated by the RCSC. These funds shall be reported as revenue received by WMATA. If MTA obtains its own MPOS device or devices, it shall account for the revenues loaded through those devices.

The sum of items 1-5 shall constitute total value loaded at each Participating Jurisdiction.

The "Settlement Position" of a Participating Jurisdiction shall be calculated by totaling the following during a calendar month:

- Stored Value added at the Participating Jurisdiction
- Stored Value deducted at the Participating Jurisdiction (excluding pass purchases with stored value)
- Product revenue allocated to a Participating Jurisdiction (accounts for stored value deductions for product purchases, and the applicable revenue-sharing agreement which will be determined at time of product definition)
- Autoload credit payments due to a Participating Jurisdiction
- Other adjustments (late-arriving transactions, fraud or loss attributable to a specific Participating Jurisdiction, prior month's adjustments, etc.)

**Stored Value Added - Stored Value Deducted +/- Product Revenue Allocated +/- Adjustments = Settlement Position**

Participating Jurisdictions with a deficiency between value loaded and value deducted for payment or pass purchase, after applying the Settlement Position formula, shall be considered in a deficit (negative) Settlement Position, and shall be due funds from Participating Jurisdictions that are in a surplus (positive) Settlement Position. In accordance with the agreed revenue sharing formula, Participating Jurisdictions with a surplus of funds loaded compared to value deducted, after applying the Settlement Position formula, shall owe funds. Participating Jurisdictions with a surplus shall transfer funds to the Participating Jurisdictions in a deficit, in an amount based on their proportional share of the total surplus. Participating Jurisdictions with a deficit shall receive funds from Participating Jurisdictions in surplus based on the reported deficiency at each Participating Jurisdiction. The result of these adjustments shall be that no Participating Jurisdiction shall have a negative position. All Participating Jurisdictions shall have either a zero balance or a surplus. In any one month, should the total regional surplus net of previous disbursements of funds be insufficient to fund the total regional deficit, then the entire positive or negative position for all Participating Jurisdictions dating from July 1, 2010 shall be considered for purposes of that given month's settlement of funds.

WMATA shall give all Participating Jurisdictions a copy of the approved report showing the final surplus and deficit calculations for the month at least one (1) business day prior to the date the ACH must be completed by Participating Jurisdictions in surplus to implement the reconciliation of funds for the given month. Reasonable commercial efforts shall be used to transfer the funds due to or from each Participating Jurisdiction by means of an Automated Clearinghouse transaction or check if agreed to by the involved Participating Jurisdictions. In no case will interest be paid to any Participating Jurisdiction resulting from the late payment of cleared funds.

Section 3.03: Authorization of Participating Jurisdiction-Initiated ACH Transactions. To facilitate the speedy transfer of funds as described in Section 3.02, each Participating Jurisdiction shall designate an account to hold its smart card revenues and shall authorize ACH deposits into that designated account, should the Participating Jurisdiction be in a deficit settlement position and Participating Jurisdiction-initiated withdrawals from that designated account, should the Participating Jurisdiction be in surplus settlement position. Participating Jurisdictions must ensure that necessary funds are available in the settlement account for the ACH transaction, should the Participating Jurisdictions be in a surplus position and be required to initiate an ACH transaction to Participating Jurisdictions in deficit positions. Should insufficient funds be available for settlement due to a Participating Jurisdiction's shortfall in its account, that

Participating Jurisdiction shall take all reasonable actions to provide the necessary funds. If any insufficient funds conditions are not corrected within a five (5) day period subsequent to the date established for the ACH transaction, WMATA shall take all necessary actions to issue a Termination Trigger Notification to all Participating Jurisdictions following the process identified in Section 2.04.

Section 3.04: Ownership of "Float". The investment earnings on funds received (commonly known as "float") by Participating Jurisdictions shall belong solely to the Participating Jurisdiction holding any uncommitted funds. Accounting of surpluses at the end of the clearing process and subsequently shall be the sole responsibility of each Participating Jurisdiction holding such funds.

Section 3.05 Use of Credit and Debit Capabilities. Any Participating Jurisdiction wishing to make use of the credit and debit capabilities of the Regional System through the ownership of a credit/debit enabled point-of-sale device or other credit/debit devices or processes must execute the Credit/Debit Authorization Agreement with WMATA. The use of a WMATA or Maryland Transit Administration owned device is not covered by the requirements of this section.

Section 3.06 Loss from Fraud or Abuse. Revenue losses associated with balance protection and any fraud or abuse not directly attributable to the failure of any one Participating Jurisdiction to properly follow established operating procedures shall be shared regionally based on value deducted at each Participating Jurisdiction. Any losses associated with a Participating Jurisdiction's management or operation of credit/debit capability shall be that Participating Jurisdiction's sole responsibility. Any loss associated with a Participating Jurisdiction's failure to properly follow established operating procedures shall also be that Participating Jurisdiction's sole responsibility.

## **ARTICLE 4 - RESERVE ACCOUNTS**

Section 4.01: SmarTrip® Card Purchase Reserve. A reserve account of the Washington Metropolitan Area Transit Authority exists for the purchase of SmarTrip® cards. This reserve shall be used by WMATA on behalf of all Participating Jurisdictions to fund the purchase of SmarTrip® cards and to fund any changes to the Regional SmarTrip® system necessary to allow the use of a smart card for fare collection, which is not specifically designed for a given Participating Jurisdiction. As part of the proposed annual SmarTrip® Operating Budget, WMATA shall submit to the Participating Jurisdictions the current balance of the SmarTrip® Card Purchase Reserve along with the amount and expected uses for the reserve in the forthcoming year. Each Participating Jurisdiction shall pay into the reserve as required by the approved budget to fund future card purchases and future system changes described in this section, as part of each quarterly payment as determined in the Regional SmarTrip® Program Operating Budget Proceeds from card sales will be returned to the reserve account. The purchase of smart cards which are specifically

designed for a given Participating Jurisdiction are the responsibility of that Participating Jurisdiction and shall not be funded from this reserve.

## ARTICLE 5 -- DISPUTES

Section 5.01: Dispute Resolution. Any disputes between Participating Jurisdictions, a Participating Jurisdiction and WMATA, or a Participating Jurisdiction and the RCSC arising out of this Agreement may be disposed of by the parties by written agreement and/or amendment of this Agreement. If the parties cannot resolve the dispute, then the party seeking a resolution shall provide written notice of the nature of the dispute and the issue(s) to the other party. The other party may respond within thirty (30) days. If the dispute is not resolved within thirty (30) days following the response, the dispute will be resolved in accordance with Section 5.02.

### Section 5.02: ADR and Court Jurisdiction.

- A. **Alternative Dispute Resolution ("ADR").** The parties agree to make their best good faith efforts to resolve any disputes which relate to or arise under this Agreement. Absent resolution, the parties agree to pursue any type of alternative dispute resolution procedure which appears to have a likelihood of successfully resolving any dispute. Either party may propose and the parties may agree to any type of dispute resolution procedure including but not limited to mediation, arbitration, mini trial, etc.
- B. **Court Jurisdiction.** In the event the parties do not jointly elect to use the procedure set forth in Section 5.02(A), any party may commence a civil action for resolution of the dispute in a court of competent jurisdiction.

## ARTICLE 6 -- NOTICES

Section 6.01: Written Notice. All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally, or sent by a courier service or a national overnight delivery service, as the U.S. Overnight Express Mail, to any party hereunder as follows:

If to Alexandria Transit Company:

Ms. Sandy Modell  
General Manager  
Alexandria Transit Company  
3000 Business Center Drive  
Alexandria, VA 22314

If to: Arlington County, Virginia:

Ms. Kelley MacKinnon  
Transit Operators Coordinator  
Department of Environmental Services  
Division of Transportation  
Transit Bureau  
2100 Clarendon Blvd., Suite 900  
Arlington, VA 22201

With a second copy to:

Mr. Steven MacIssac  
County Attorney  
2100 Clarendon Blvd., Suite 403  
Arlington, VA 22201

If to City of Fairfax, Virginia:

Mr. Robert Sisson  
City Manager  
City of Fairfax  
10455 Armstrong Street  
Fairfax, VA 22030

If to Fairfax County, Virginia:

Mr. Anthony H. Griffin  
County Executive  
12055 Government Center Parkway, 10<sup>th</sup> Floor  
Fairfax, VA 22035-5511

With a second copy to:

Mr. Thomas Biesiadny  
Acting Director  
Department of Transportation  
12055 Government Center Parkway, 10<sup>th</sup> Floor  
Fairfax, VA 22035-5511

If to Loudoun County, Virginia:

Mr. Scott W. Gross  
Transit Operations Manager  
1 Harrison Street SE, mailstop #69  
Leesburg, VA 20175

With a second copy to:

Ms. Tamara F. Dunlap  
Assistant County Attorney  
1 Harrison Street SE, mailstop #06  
Leesburg, VA 20175

AND

Loudoun County Director of Transportation Services  
1 Harrison Street SE, mailstop #69  
Leesburg, VA 20175

If to Maryland Transit Administration:

Maryland Transit Administration  
MTA General Counsel  
6 St. Paul street  
Baltimore, MD 21202

With a second copy to:

Maryland Transit Administration  
Director, Office of Treasury  
6000 Metro Drive, Suite 180  
Baltimore, MD 21215

If to Montgomery County, Maryland:

Ms. Darlene Flynn  
Montgomery County Government  
101 Monroe Street, 5<sup>th</sup> floor  
Rockville, MD 20850

With a second copy to:

Mr. Howard Benn  
Montgomery County Government  
101 Monroe Street, 5<sup>th</sup> floor  
Rockville, MD 20850

AND

Ms. Carolyn Jones  
Management Services  
Montgomery County Government  
101 Monroe Street, 5<sup>th</sup> floor  
Rockville, MD 20850

If to the Potomac and Rappahannock Transportation Commission:

Mr. Al Harf  
Executive Director  
Potomac and Rappahannock Transportation Commission  
14700 Potomac Mills Road  
Woodbridge, VA 22192

With a second copy to:

Ms. Angela Lemon-Horan  
County Attorney's Office  
One County Complex Court  
Prince William, VA 22192-9201

If to Prince George's County, Maryland:

Mr. Haitham A. Hijazi, Director  
Department of Public Works and Transportation  
9400 Peppercorn Place, Suite 300  
Largo, MD 20774

With a second copy to:

County Attorney  
Office of Law, Room 5121  
14741 Governor Oden Bowie Drive  
Upper Marlboro, MD 20772

**If to WMATA:**

General Manager and Chief Executive Officer  
Washington Metropolitan Area Transit Authority  
Jackson Graham Building  
600 Fifth Street, N.W.  
Washington, D.C. 20001

**With a second copy to:**

General Counsel  
Washington Metropolitan Area Transit Authority  
Jackson Graham Building, Second Floor  
600 Fifth Street, N.W.  
Washington, D.C. 20001

**ARTICLE 7 -- AMENDMENT(S)**

Section 7.01: Amendment(s). This Agreement may be amended in writing by the parties. WMATA shall provide a written notification of any proposed changes to all Participating Jurisdictions. Within fifteen (15) days after delivery of the notification described above, a Participating Jurisdiction may request in writing a consultation meeting for the purpose of discussing any or all changes to the agreement. Following the receipt of such request from a Participating Jurisdiction, WMATA shall identify and inform all Participating Jurisdictions of the date, time, and location for the requested consultation meeting. Failure by any Participating Jurisdiction to request a consultation meeting will result in WMATA polling the Participating Jurisdictions for a vote on the changes. Within ten (10) business days following the consultation meeting, WMATA will poll in writing all the Participating Jurisdictions on their approval or disapproval with the recommended changes. WMATA and all Participating Jurisdictions must concur with the recommended changes for them to be approved. Failure of a Participating Jurisdiction to respond within ten (10) business days of the poll date shall be deemed concurrence on that Participating Jurisdiction's part. Such amendments will be valid upon execution by both parties.

**ARTICLE 8 -- TERM**

Section 8.01. The term of this Agreement shall begin on July 1, 2011 and shall have an initial duration to the expiration date of June 30, 2015 and shall automatically be renewed for successive additional five (5) year periods unless a majority of the Participating Jurisdictions give written notice that they do not wish to renew their participation ninety (90) calendar days prior to the expiration of the respective Agreements. If this Agreement is not renewed, the Participating Jurisdictions shall use the ninety (90) calendar day period prior to the expiration of the Agreement for the orderly termination of the Regional SmarTrip® System.

## ARTICLE 9 -- CIVIL RIGHTS AND NONDISCRIMINATION

Section 9.01. The parties to this Agreement recognize that WMATA, as the grantee of numerous present federal transit grants, is required to comply with those federal laws, regulations, executive orders or guidelines regarding civil rights and nondiscrimination strictures. Those applicable federal civil rights statutes and implementing regulations include, but are not necessarily limited to, the following:

- A. **Nondiscrimination in Federal Transit Programs.** WMATA agrees to comply, and assures compliance by each third party contractor at any tier and each subrecipient at any tier under the Project, with the provisions of 49 U.S.C. § 5332, which prohibits discrimination on the basis of race, color, creed, national origin, sex or age, and prohibits discrimination in employment or business opportunity.
- B. **Nondiscrimination -- Title VI of the Civil Rights Act.** WMATA agrees to comply and assures compliance by each third party contractor at any tier and each sub recipient at any tier under the Project, with all requirements prohibiting discrimination on the basis of race, color or national origin of Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000d, and U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation -- Effectuation of Title VI of the Civil Rights Act," 49 C.F.R. Part 21 and any implementing requirements FTA may issue.
- C. **Equal Employment Opportunity.** WMATA agrees to comply, and assures the compliance by each third party contractor at any tier and each subrecipient at any tier, with all requirements of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e, and 49 U.S.C. § 5332 and any implementing requirements FTA may issue. Those equal employment opportunity (EEO) requirements include, but are not limited to, the following:

### (1) General Requirements.

(a) WMATA agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, sex, disability, age or national origin. WMATA agrees to take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, sex, disability, age or national origin. Such action shall include, but not be limited to, 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. WMATA also agrees to comply with any implementing requirements FTA may issue.

(b) If WMATA is required to submit and obtain Federal Government approval of its EEO program that EEO program approved by the Federal Government is incorporated by reference.

(2) **Equal Employment Opportunity Requirements for Construction Activities.** With respect to construction activities, WMATA agrees to comply, and assures the compliance by each third party contractor at any tier and each subrecipient at any tier, with all applicable EEO requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs Equal Employment Opportunity, Department of Labor," 41 C.F.R. 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. § 2000(e) note, and any Federal statutes, executive orders, regulations and Federal policies pertaining to construction undertaken as part of the Project.

D. **Disadvantaged Business Enterprise.** WMATA agrees to take the following measures to facilitate participation by disadvantaged business enterprises (DBE) in the Project:

(1) WMATA agrees to comply with section 1101(b) of TEA-21, 23 U.S.C. § 101 note, and U.S. DOT regulations, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," 49 C.F.R. Part 26 as applicable.

(2) WMATA agrees that it shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any third party contract, or sub-agreement supported with Federal assistance derived from the U.S. DOT or in the administration of its DBE program or the requirements of 49 C.F.R. Part 26. WMATA agrees to take all necessary and reasonable steps under 49 C.F.R. Part 26 to ensure nondiscrimination in the award and administration of all third party contracts and sub-agreements supported with Federal assistance derived from the U.S. DOT.

E. **Nondiscrimination on the Basis of Sex.** To the extent applicable, WMATA agrees to comply with Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. §§ 1680 et seq., which prohibit discrimination on the basis of sex, and any subsequent Federal requirements.

F. **Nondiscrimination on the Basis of Age.** WMATA agrees to comply with the applicable requirements of the Age Discrimination Act of 1975, as amended, 42 U.S.C. §§ 6101 et seq., and implementing regulations, which prohibit discrimination on the basis of age.

G. **Access Requirements for Persons with Disabilities.** WMATA agrees to comply with the requirements of 49 U.S.C. § 5301(d) which expresses the Federal policy that the elderly and persons with disabilities have the same right as other persons to use mass transportation service and facilities, and that special efforts shall be made in planning and designing those services and facilities to implement those policies. WMATA also agrees to comply with all applicable requirements of section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, which prohibit discrimination on the basis of handicap, and with the Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. §§ 12101 et seq., which requires the provision of accessible facilities and services, and with the following Federal regulations, including any amendments thereto:

(1) U.S. DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 C.F.R. Part 37;

(2) U.S. DOT regulations, "Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance," 49 C.F.R. Part 27;

(3) Joint U.S. Architectural and Transportation Barriers Compliance Board/U.S. DOT regulations, "Americans With Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 36 C.F.R. Part 1192 and 49 C.F.R. Part 38;

(4) U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability in State and Local Government Services," 28 C.F.R. Part 35;

(5) U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities," 28 C.F.R. Part 36;

(6) U.S. GSA regulations, "Accommodations for the Physically Handicapped," 41 C.F.R. Subpart 101-19;

(7) U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630;

(8) U.S. Federal Communications Commission regulations, "Telecommunications Relay Services and Related Customer Premises Equipment for the Hearing and Speech Disabled," 47 C.F.R. Part 64, Subpart F; and

(9) FTA regulations, "Transportation for Elderly and Handicapped Persons," 49 C.F.R. Part 609; and

(10) Any implementing requirements FTA may issue.

- H. Drug or Alcohol Abuse - Confidentiality and Other Civil Rights Protections. WMATA agrees to comply with the confidentiality and other civil rights provisions of the Drug Abuse Office and Treatment Act of 1972, Pub. L. 92-255, March 21, 1972, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, Pub. L. 91-616, Dec. 31, 1970, and the Public Health Service Act of 1912, 42 U.S.C. §§ 290dd-3 and 290ee-3, including any amendments to these acts.

## **ARTICLE 10 -- ANTI-DRUG AND ALCOHOL POLICY**

Section 10.01. The parties to this Agreement recognize that WMATA, as the grantee to numerous transit federal grants, is required to comply with those federal laws, regulations, executive orders or guideline strictures regarding anti-drug and alcohol policy in transit work and operations, which include, but is not limited to, the following: "Drug-Free Workplace Act (DFWA) of 1988," 49 USC Sections 702 et seq.; "Requirements for a Drug-Free Workplace (Grants)," 49 C.F.R. Part 29; "Prevention of Prohibited Drug Use in Transit Operations," 49 C.F.R. Part 653; and "Prevention of Alcohol Misuse in Transit Operations," 49 C.F.R. Part 654.

## **ARTICLE 11 -- CERTIFICATION OF WMATA**

Section 11.01. WMATA makes the following representations as of the date of the execution of this Agreement as a basis for the undertakings on the part of the other Participating Jurisdictions:

- A. WMATA has full power and authority to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder;
- B. WMATA by proper corporate action has duly authorized the execution and delivery of this Agreement;
- C. When executed and delivered by the Participating Jurisdiction and by WMATA, this Agreement will constitute the legal, valid and binding obligation of WMATA enforceable in accordance with its terms, except as such enforceability may be limited by annual appropriations, bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally.
- D. No director, officer or employee of WMATA who exercises or has exercised any functions or responsibilities over any Procurement Contract shall have or obtain a personal or financial interest or benefit from any activity in connection with any such Procurement Contract or have an interest in any

contract, subcontract or agreement with respect therewith during the term of this Agreement.

## **ARTICLE 12 -- CERTIFICATION OF PARTICIPATING JURISDICTION**

Section 12.01. Each Participating Jurisdiction makes the following representations for its Participating Jurisdiction, and only for its Participating Jurisdiction, as of the date of the execution of this Agreement as a basis for the undertakings on the part of WMATA:

- A. Participating Jurisdiction has all necessary power and authority to enter into the transactions contemplated by this Agreement and to carry out its individual obligations hereunder;
- B. Participating Jurisdiction has duly authorized the execution and delivery of this Agreement;
- C. When executed and delivered by the Participating Jurisdiction and by WMATA, this Agreement will constitute the legal, valid and binding obligation of the individual Participating Jurisdiction enforceable in accordance with its terms, except as such enforceability may be limited by annual appropriations, bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally;
- D. No officer or employee of the Participating Jurisdiction who exercises or has exercised any functions or responsibilities over any procurement contract shall have or obtain a personal or financial interest or benefit from any activity in connection with any such procurement contract or have an interest in any contract, subcontract or agreement with respect therewith during the term of this Agreement.

## **ARTICLE 13 - GOVERNING LAW**

Section 13.01: General Rules. The applicable law to be used in disputes covered by this Operating Agreement shall be in accordance with the principles set forth in this section. For disputes between Participating Jurisdictions, all of which are within the same state, the law of that state (or the District of Columbia, as appropriate) shall be used. For region-wide contractual issues, the law of the place of the contract's execution shall be used unless otherwise specified in the contract at issue. Each state's conflict of laws rules shall be applicable since those laws are part of the state's laws.

Section 13.02: Effect of WMATA Compact. All matters involving WMATA shall be governed by the terms of the WMATA Compact.

## **ARTICLE 14 - COUNTERPARTS**

Section 14.01. This Agreement may be executed in ten (10) identical counterparts, each of which shall constitute an original and all of which shall constitute, collectively, one Agreement. The counterpart with the most recent date shall determine the date of entry of this Agreement by the parties given on page one.

## **ARTICLE 15 – ORDER OF PRECEDENCE**

Section 15.01. Should there be any conflict in the terms of this Operations Funding Agreement and the Letter of Intent, the terms of the Operations Funding Agreement shall control.

[Remainder of Page Not Used]

# Exhibit A: Example Regional SmartTrip® System Operating Budget (FY11) – to be updated annually

Washington Area Metropolitan Transit Authority  
Office of SmartTrip®

October 21, 2010

## Regional Customer Service Center Costs

Notes	Cost Component	Cost Basis			FY2011 Projected Costs				Total
		Month	Quarter	TOTAL YR 1	1Q	2Q	3Q	4Q	
Note 0	Existing RCSC Contract Closeout (O.L only)			\$ 108,000					\$ 1,656,569
Note 1	New RCSC Design and Build (O1, O2, O3)			\$ 552,190		\$ 552,190			\$ 2,561,265
Note 2	New RCSC Year 1 Operations			\$ 640,316		\$ 640,316			\$ 360,000
Note 3	Additional Phone Calls/Cards (estimated-only billed if used)			\$ 50,000		\$ 50,000			\$ 4,883,834
Note 4	Communication Lines			\$ 90,000		\$ 90,000			\$ 244,192
Note 5	Sub-Total RCSC Contract			\$ 1,438,506		\$ 1,332,506			\$ 5,128,026
Note 6	Project Management @ 5%			\$ 71,925		\$ 66,625			\$ 61,933
	Sub-Total Including Project Management			\$ 1,510,431		\$ 1,399,131			\$ 5,190,265
	Project Overhead @ 10%			\$ 151,043		\$ 139,913			\$ 5,341,530
	Sub-total Including Project Mgmt & Overhead			\$ 1,661,474		\$ 1,539,044			\$ 5,640,828
	<b>TOTAL</b>			\$ 1,961,474		\$ 1,839,044			\$ 5,849,828

**Notes:**

- 0 Existing RCSC contract ends FY11 Q1 (July 21, 2010)
- 1 Design and Build costs to be incurred during first two quarters of contract (FY11 Q1 and Q2), but billed to partners over first three quarters (FY11 Q1, Q2, Q3)
- 2 RCSC Operations costs begin FY11 Q1
- 3 Additional call volume projected due to introduction of Pass Products and Autoload, only billed if used
- 4 Pricing reflects option with Cubic. Costs may be less when Commas lines are brought in-house to WMATA
- 5 Cost including WMATA project management @ 5% of RCSC changes
- 6 Cost including WMATA overhead @ 10% of RCSC + project management

## Regional Point of Sale Fees

Notes	Cost Component	Cost Basis			FY2010 Projected Costs				Total
		Month	Quarter	Annual	1Q	2Q	3Q	4Q	
Note 7	Sub-Total CPoS Management	\$ 10,500	\$ 31,500	\$ 126,000	\$ 31,500	\$ 31,500	\$ 31,500	\$ 31,500	\$ 126,000
Note 8	WMATA Project Management @ 5%	\$ 525	\$ 1,575	\$ 6,300	\$ 1,575	\$ 1,575	\$ 1,575	\$ 1,575	\$ 6,300
	Sub-Total Including Project Management	\$ 11,025	\$ 33,075	\$ 132,300	\$ 33,075	\$ 33,075	\$ 33,075	\$ 33,075	\$ 132,300
	WMATA Overhead @ 10%	\$ 1,103	\$ 3,308	\$ 13,230	\$ 3,308	\$ 3,308	\$ 3,308	\$ 3,308	\$ 13,230
	Sub-Total Including Project Mgt & Overhead	\$ 12,128	\$ 36,383	\$ 145,530	\$ 36,383	\$ 36,383	\$ 36,383	\$ 36,383	\$ 145,530
	<b>TOTAL</b>	\$ 36,383	\$ 36,383	\$ 145,530	\$ 36,383	\$ 36,383	\$ 36,383	\$ 36,383	\$ 145,530

**Notes:**

- 7 WMATA project management @ 5% of CPoS Management fees
- 8 WMATA overhead @ 10% of CPoS Management fees and project management

FY2011 OFA Budget\_REVISSED 10-21-10.xls

RCSC & CPoS Fees

Page 5

# Exhibit A (continued)

Washington Area Metropolitan Transit Authority  
Office of SmartTrip®

October 21, 2010

## Regional Software Maintenance Agreement Costs

Notes	RSMA Cost Component	Cost Basis		FY2011 Allocation Shares per Quarter						
		Annual	Quarter	Rail/Bus Allocation		Rail			Regional Bus	
				WMATA Rail	Total Bus	WMATA Rail	WMATA Total (# garages)	WMATA per garage share	Regional Total (# garages)	Regional per garage share
Note 1	Software Support Services	\$ 667,888	\$ 164,472	50.00%	50.00%	\$ 82,236.00	\$ 32,179.30	\$ 3,575.46	\$ 50,056.70	\$ 3,575.48
Note 2	Core Module Upgrades	\$ 201,913	\$ 56,476	50.00%	50.00%	\$ 25,239.13	\$ 9,878.18	\$ 1,097.35	\$ 15,362.95	\$ 1,097.38
Note 3	Regional Support (480 hours)	\$ 80,968	\$ 20,242		100.00%				\$ 20,242.00	\$ 1,445.86
Note 4	WMATA Support (480 hours)	\$ 80,968	\$ 20,242	50.00%	50.00%	\$ 10,121.00	\$ 10,121.00	\$ 1,124.56		
Note 5	Travel Allowance	\$ 11,290	\$ 2,823	50.00%	50.00%	\$ 1,411.25	\$ 552.23	\$ 61.36		
	Sub-Total #RSMA Contract	\$ 1,033,827	\$ 258,267			\$ 119,067.38	\$ 52,728.71	\$ 5,858.75	\$ 84,520.68	\$ 6,188.03
Note 6	Project Management @ 5%	\$ 51,851	\$ 12,913			\$ 5,850.37	\$ 2,636.44	\$ 292.94	\$ 4,326.03	\$ 309.00
	Sub-Total including Project Management	\$ 1,084,878	\$ 271,179			\$ 124,917.74	\$ 55,365.15	\$ 6,151.69	\$ 88,846.70	\$ 6,489.95
Note 7	Project Overhead @ 10%	\$ 108,488	\$ 27,118			\$ 12,491.77	\$ 5,536.51	\$ 615.17	\$ 9,064.67	\$ 649.30
	Sub-Total including Project Mgt & Overhead	\$ 1,193,366	\$ 298,297			\$ 137,409.51	\$ 60,901.66	\$ 6,766.86	\$ 97,911.37	\$ 7,137.95
	<b>Total</b>	<b>\$ 1,193,366</b>	<b>\$ 298,297</b>			<b>\$ 137,409.51</b>	<b>\$ 60,901.66</b>	<b>\$ 6,766.86</b>	<b>\$ 97,911.37</b>	<b>\$ 7,137.95</b>

**Notes:**

- 1 Fixed systemwide general software support services. Distributed 50% rail and 50% bus. Bus distribution prorated based on 23 total garages.
- 2 Fixed systemwide core module upgrades. Distributed 50% rail and 50% bus. Bus distribution prorated based on 23 total garages.
- 3 Dedicated regional support. Distributed 100% regional bus. Regional bus distribution prorated based on 14 regional garages.
- 4 Dedicated WMATA support. Distributed 50% rail and 50% WMATA bus.
- 5 Systemwide travel allowance. Distributed 50% rail and 50% bus. Bus distribution prorated based on 23 total garages.
- 6 WMATA Project Management @ 5% of RSMA cost
- 7 WMATA Overhead @ 10% of RSMA cost & project management

Bus Garage Count is as follows:

WMATA	9
Fairfax Connector	3
Montgomery Co	3
Loudoun Co	2
Prince Georges Co	1
PRTC	1
Arlington	1
Alexandria	1
Fairfax CUE	1
DC Circulator	1
<b>TOTAL</b>	<b>23</b>

**Exhibit B: Example Quarterly Cash Flow (FY11) – to be updated annually**

Washington Area Metropolitan Transit Authority  
Office of SmarTrip®

October 21, 2010

**Regional SmarTrip Operations Funding Agreement  
FY 2011 Operating Budget  
Annual Summary**

Regional Partner Agency	FY 2011			
	RCSC	CPOS	RSMA	Total
ART	\$ 28,633	\$ -	\$ 28,552	\$ 57,185
CUE	\$ 9,482	\$ -	\$ 28,552	\$ 38,034
DASH	\$ 50,057	\$ -	\$ 28,552	\$ 78,609
DC Circulator	\$ 36,788	\$ -	\$ 28,552	\$ 65,340
Fairfax Connector	\$ 170,394	\$ -	\$ 85,655	\$ 256,050
Loudoun County Transit	\$ 21,361	\$ -	\$ 57,104	\$ 78,465
Maryland Transit	\$ 7,049	\$ -	\$ -	\$ 7,049
Prince George's	\$ 42,524	\$ -	\$ 28,552	\$ 71,076
PRTC	\$ 47,838	\$ -	\$ 28,552	\$ 76,389
Ride-On	\$ 213,370	\$ -	\$ 85,655	\$ 299,025
WMATA Rail	\$ 3,716,548	\$ -	\$ 549,814	\$ 4,266,362
WMATA Bus	\$ 982,045	\$ -	\$ 243,607	\$ 1,225,651
WMATA Parking	\$ 314,739	\$ -	\$ -	\$ 314,739
WMATA CPOS	\$ -	\$ 145,530	\$ -	\$ 145,530
<b>Regional Total</b>	<b>\$ 5,640,828</b>	<b>\$ 145,530</b>	<b>\$ 1,193,146</b>	<b>\$ 6,979,504</b>

**Exhibit B  
(continued)**

Washington Area Metropolitan Transit Authority  
Office of SmarTrip®

October 21, 2010

**Regional SmarTrip Operations Funding Agreement  
FY 2011 Operating Budget  
Quarterly Summary**

Regional Partner Agency	First Quarter			
	RCSC	CPOS	RSMA	Total
ART	\$ 8,438	\$ -	\$ 7,138	\$ 15,576
CUE	\$ 2,794	\$ -	\$ 7,138	\$ 9,932
DASH	\$ 14,751	\$ -	\$ 7,138	\$ 21,889
DC Circulator	\$ 10,841	\$ -	\$ 7,138	\$ 17,979
Fairfax Connector	\$ 50,213	\$ -	\$ 21,414	\$ 71,627
Loudoun County Transit	\$ 6,295	\$ -	\$ 14,276	\$ 20,571
Maryland Transit	\$ 1,267	\$ -	\$ -	\$ 1,267
Prince George's	\$ 12,531	\$ -	\$ 7,138	\$ 19,669
PRTC	\$ 14,097	\$ -	\$ 7,138	\$ 21,235
Ride-On	\$ 62,878	\$ -	\$ 21,414	\$ 84,291
WMATA Rail	\$ 1,095,222	\$ -	\$ 137,454	\$ 1,232,676
WMATA Bus	\$ 289,397	\$ -	\$ 60,902	\$ 350,299
WMATA Parking	\$ 92,750	\$ -	\$ -	\$ 92,750
WMATA CPOS	\$ -	\$ 36,383	\$ -	\$ 36,383
<b>Quarter Total</b>	<b>\$ 1,661,474</b>	<b>\$ 36,383</b>	<b>\$ 298,287</b>	<b>\$ 1,996,143</b>

Regional Partner Agency	Second Quarter			
	RCSC	CPOS	RSMA	Total
ART	\$ 7,814	\$ -	\$ 7,138	\$ 14,952
CUE	\$ 2,588	\$ -	\$ 7,138	\$ 9,725
DASH	\$ 13,660	\$ -	\$ 7,138	\$ 20,798
DC Circulator	\$ 10,039	\$ -	\$ 7,138	\$ 17,177
Fairfax Connector	\$ 46,498	\$ -	\$ 21,414	\$ 67,912
Loudoun County Transit	\$ 5,829	\$ -	\$ 14,276	\$ 20,105
Maryland Transit	\$ 1,676	\$ -	\$ -	\$ 1,676
Prince George's	\$ 11,604	\$ -	\$ 7,138	\$ 18,742
PRTC	\$ 13,054	\$ -	\$ 7,138	\$ 20,192
Ride-On	\$ 58,225	\$ -	\$ 21,414	\$ 79,639
WMATA Rail	\$ 1,014,187	\$ -	\$ 137,454	\$ 1,151,640
WMATA Bus	\$ 267,984	\$ -	\$ 60,902	\$ 328,886
WMATA Parking	\$ 85,887	\$ -	\$ -	\$ 85,887
WMATA CPOS	\$ -	\$ 36,383	\$ -	\$ 36,383
<b>Quarter Total</b>	<b>\$ 1,539,044</b>	<b>\$ 36,383</b>	<b>\$ 298,287</b>	<b>\$ 1,873,713</b>

**Exhibit B  
(continued)**

**Regional SmarTrip Operations Funding Agreement  
FY 2011 Operating Budget  
Quarterly Summary (continued)**

Regional Partner Agency	Third Quarter			
	RCSC	CPOS	RSMA	Total
ART	\$ 7,810	\$ -	\$ 7,138	\$ 14,948
CUE	\$ 2,587	\$ -	\$ 7,138	\$ 9,724
DASH	\$ 13,654	\$ -	\$ 7,138	\$ 20,792
DC Circulator	\$ 10,035	\$ -	\$ 7,138	\$ 17,173
Fairfax Connector	\$ 46,479	\$ -	\$ 21,414	\$ 67,893
Loudoun County Transit	\$ 5,827	\$ -	\$ 14,276	\$ 20,103
Maryland Transit	\$ 2,284	\$ -	\$ -	\$ 2,284
Prince George's	\$ 11,800	\$ -	\$ 7,138	\$ 18,738
PRTC	\$ 13,049	\$ -	\$ 7,138	\$ 20,187
Ride-On	\$ 58,202	\$ -	\$ 21,414	\$ 79,616
WMATA Rail	\$ 1,013,785	\$ -	\$ 137,454	\$ 1,151,239
WMATA Bus	\$ 267,878	\$ -	\$ 60,902	\$ 328,780
WMATA Parking	\$ 85,853	\$ -	\$ -	\$ 85,853
WMATA CPOS	\$ -	\$ 36,383	\$ -	\$ 36,383
<b>Quarter Total</b>	<b>\$ 1,539,044</b>	<b>\$ 36,383</b>	<b>\$ 298,287</b>	<b>\$ 1,873,713</b>

Regional Partner Agency	Fourth Quarter			
	RCSC	CPOS	RSMA	Total
ART	\$ 4,571	\$ -	\$ 7,138	\$ 11,709
CUE	\$ 1,514	\$ -	\$ 7,138	\$ 8,652
DASH	\$ 7,992	\$ -	\$ 7,138	\$ 15,130
DC Circulator	\$ 5,873	\$ -	\$ 7,138	\$ 13,011
Fairfax Connector	\$ 27,204	\$ -	\$ 21,414	\$ 48,618
Loudoun County Transit	\$ 3,410	\$ -	\$ 14,276	\$ 17,686
Maryland Transit	\$ 1,823	\$ -	\$ -	\$ 1,823
Prince George's	\$ 6,789	\$ -	\$ 7,138	\$ 13,927
PRTC	\$ 7,637	\$ -	\$ 7,138	\$ 14,775
Ride-On	\$ 34,065	\$ -	\$ 21,414	\$ 55,479
WMATA Rail	\$ 593,353	\$ -	\$ 137,454	\$ 730,807
WMATA Bus	\$ 156,785	\$ -	\$ 60,902	\$ 217,687
WMATA Parking	\$ 50,249	\$ -	\$ -	\$ 50,249
WMATA CPOS	\$ -	\$ 36,383	\$ -	\$ 36,383
<b>Quarter Total</b>	<b>\$ 901,265</b>	<b>\$ 36,383</b>	<b>\$ 298,287</b>	<b>\$ 1,235,934</b>

# Exhibit C – Current Master Settlement Report Format (data shown December 2010)

## MONTHLY REGIONAL SETTLEMENT

FINAL

Settlement Month: December-2010  
Date Prepared: 3/24/11

Operator	Stored Value Added A	Stored Value Used - Tips B	Stored Value Used - Pass Sales C	Sub-Total A+B+C	Prior Month's Adjustment	CPOS Adjustment	Stored Value Position A+B+C+Adjustments	Stored Value Surplus Position (as % of total surplus)	Stored Value - Paid by Agency in Surplus - WMATA 100.00%	Stored Value - Paid by Agency in Surplus - MTA 0.00%	Stored Value - Total Payments
Arlington-ART	48,129.16	108,681.65		(69,522.50)	(85.60)	\$	(90,608.00)		(558,004.00)	\$0.00	(558,004.00)
Fairfax City-Cue	18,384.80	30,880.78		717,885.26	1,000	\$	(17,208.92)		(113,208.92)	\$0.00	(113,208.92)
Alexandria-Speak	29,379.35	141,123.50		(721,533.26)	(2,000.00)	\$	(1,033,633.01)		(814,363.63)	\$0.00	(814,363.63)
D.C. Circulator											
Fairfax-Commuter	700,817.88	700,810.05		(444,997.30)	(607.13)	\$	(445,204.43)		(445,204.43)	\$0.00	(445,204.43)
Loudoun	43,102.23	498,636.00		(470,537.21)		\$	(445,204.43)		(445,204.43)	\$0.00	(445,204.43)
WMATA	46,617,109.38	47,643,971.22		4,026,877.83		\$	203,024.50	100.00%			
PRTC-Omniride	11,635.53	715,874.55		(444,316.23)	(283.70)	\$	(627,116.93)		(442,114.93)	\$0.00	(442,114.93)
Montgomery-Ride On	413,138.49	791,372.29		(375,242.10)	(5,720.20)	\$	(386,024.30)		(386,024.30)	\$0.00	(386,024.30)
PG County-The Bus	18,484.43	78,842.50		(78,114.30)		\$	(78,114.30)		(78,114.30)	\$0.00	(78,114.30)
MTA	87,500.42	58,818.75	20,294.86	(11,207.22)	(527.63)	\$		0.00%	(87,295.15)	\$0.00	(87,295.15)
<b>TOTAL</b>	<b>\$47,717,787.43</b>	<b>\$45,786,721.18</b>		<b>\$ 1,931,071.70</b>	<b>(9,026.22)</b>	<b>\$</b>	<b>\$213,006.50</b>		<b>(82,145,987.35)</b>	<b>\$0.00</b>	<b>(82,145,987.35)</b>
							Total Surplus	\$	4,231,702.38		
							Total Deficit	\$	(2,124,597.35)		

### TOTAL PASS PAYMENTS TO REGIONAL PARTNERS

SUMMARY	Regional Full Fare 7-Day Bus Pass Position	Regional Senior & Disabled 7-Day Bus Pass Position	PASS - TOTAL PAYMENTS (Position)
Arlington-ART	(1,125.82)	(1,125.82)	(11,894.34)
Fairfax City-Cue	(50.00)	(50.00)	(50.00)
Alexandria-Speak	(50.00)	(50.00)	(50.00)
D.C. Circulator	(1,207.81)	(1,207.81)	(11,178.82)
Fairfax-Commuter	(1,207.81)	(1,207.81)	(12,506.12)
Loudoun	(50.00)	(50.00)	(50.00)
WMATA	18,923.84	3343.22	16,450.17
PRTC-Omniride	(50.00)	(50.00)	(50.00)
Montgomery-Ride On	(11,712.43)	(11,712.43)	(10,535.33)
PG County-The Bus	(50.00)	(50.00)	(287.48)
MTA	(50.00)	(50.00)	(50.00)
<b>TOTAL</b>	<b>10,203.82</b>	<b>1,993.22</b>	<b>12,197.04</b>

NOTE: Regional Partners with a deficit Stored Value position and a surplus Pass position may elect to net their deficit Stored Value position against their surplus Pass position in lieu of sending EFTs to each Partner with a deficit Pass position. Upon this election, WMATA will include the Partner's deficit Pass position in WMATA's Total Settlement amount.

Operator	Stored Value Settlement (WMATA)	Pass Settlement (WMATA)	Total Settlement (WMATA)	Stored Value Settlement (MTA)	TOTAL PAID TO PARTNER
Arlington-ART	(1,125.82)	(1,125.82)	(480,802.34)	\$0.00	(160,732.74)
Fairfax City-Cue	(17,320.80)	(50.00)	(17,370.80)	\$0.00	(17,370.80)
Alexandria-Speak	(17,013.14)	(50.00)	(17,063.14)	\$0.00	(17,063.14)
D.C. Circulator	\$0.00	(1,207.81)	(1,207.81)	\$0.00	(1,207.81)
Fairfax-Commuter	(1,207.81)	(1,207.81)	(2,415,657.20)	\$0.00	(2,417,073.02)
Loudoun	(50.00)	(50.00)	(50.00)	\$0.00	(50.00)
WMATA	(4923,116.95)	\$0.00	(4,923,116.95)	\$0.00	(4,923,116.95)
PRTC-Omniride	(1,207,283.20)	(11,712.43)	(1,218,995.63)	\$0.00	(1,218,995.63)
Montgomery-Ride On	(12,506.12)	(11,712.43)	(24,218.55)	\$0.00	(24,218.55)
PG County-The Bus	(287.48)	(50.00)	(337.48)	\$0.00	(337.48)
MTA	(87,295.15)	(50.00)	(87,345.15)	\$0.00	(87,345.15)
<b>TOTAL</b>	<b>(82,145,987.35)</b>	<b>(16,450.17)</b>	<b>(82,162,437.52)</b>	<b>\$0.00</b>	<b>(82,162,437.52)</b>

(82,162,437.52) Double Check

**Arlington County, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

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**Alexandria Transit Company**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page]

**Arlington County, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page

**City of Fairfax, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]  
Robert F. Lederer, Mayor

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page]

Fairfax County, Virginia

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page]

Loudoun County, Virginia

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page]

**Maryland Transit Administration**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page]

Montgomery County, Maryland

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]  
Marc Hansen Timothy Firestine  
County Attorney Chief Administrative Officer  
Witness Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page]

**Potomac & Rappahannock Transportation Commission**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page]

Prince George's County, Maryland

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Carla A. Reid  
Deputy Chief Administrative Officer for  
Economic Development and Public  
Infrastructure

Dated:

Reviewed and Approval Recommended:

\_\_\_\_\_  
Haitham A. Hijazi, Director  
Department of Public Works and Transportation

Reviewed as to Legal Form and Sufficiency:

\_\_\_\_\_  
Office of Law

[signatures continued on following page]

WASHINGTON METROPOLITAN AREA  
TRANSIT AUTHORITY

Attest:

\_\_\_\_\_  
Loyda Sequeira-Castillo  
Secretary

By: \_\_\_\_\_ [Seal]  
Richard R. Sarles  
General Manager and Chief Executive  
Officer

Dated: \_\_\_\_\_

Approved as to Form and Legal Sufficiency:

BY:  
Office of General Counsel

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Arlington's Signature Page

10 Signed Copies needed

A copy will go

to each participant

**Arlington County, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page

**Arlington County, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page

**Arlington County, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page

**Arlington County, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page

**Arlington County, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page

**Arlington County, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page

**Arlington County, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page

**Arlington County, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page

**Arlington County, Virginia**

Attest:

\_\_\_\_\_ By: \_\_\_\_\_ [Seal]

Witness

Dated:

Approved as to Form and Legal Sufficiency:

BY:

Dated:

[signatures continued on following page